THE FINANCIAL POST
OF CANADA

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THE SECURITY REVIEW

THE EFFECT OF CORPORATION LYNCHING.

In the United States—Stock Markets Depressed—The Attacks Are Extreme—The Reaction Will Come Sooner—The Outlook for a Lean Crop—Will a Poor Harvest Solve the Labor Question—It Will Not be an Unmixed Curse—The Monetary Difficulties—Notes on Leading Canadian Securities.

On Wednesday the Wall Street market experienced a sharp break in prices, the decline ranging from 2 to 8 points. This following upon Tuesday's weakness was continued on Thursday with a slight recovery, all of which was lost again on Friday. A number of issues reached their new low points for the year. The London market had also been weak and the general decline was reflected in the Canadian list where also a number of low notches for the year, in fact, for many years, were arrived at. Sao Paulo sold at 111, the lowest price since January, 1905, and indeed, the lowest since the present dividend of 8 per cent. was paid. Canadian General Electric sold at 113 1/2, the lowest price in over nine years. The volume of transactions was not large. In New York Wednesday was a little over a million shares and Thursday a little under, showing that the transactions were within a narrow compass; as indeed, they were on the Canadian markets. There were small lots of bank and loan company stock sold during the week in Canada, not probably as a result of the decline, but because people needed the ready money.

The American stocks which this week reached their new low point for the year were:

	High. 1906.	Low. Aug.	Low. Mar.
Atlantic Coast	167 7/8	83 1/8	92
Iowa Central	34 3/4	12 1/2	17 7/8
Interboro	55 3/8	12 3/4	22 1/8
Louisville & Nashville	156 1/2	105 1/2	108
Anaconda	75	48 3/8	53
Smelters	174	99 7/8	104 1/4
Sugar	157	113	114 7/8
Copper	118 1/4	74 1/2	78 1/2
Colorado Fuel	83 1/4	25 3/4	29
Central Leather....	49 7/8	20	25
General Electric ...	184	130	136 1/2
Distillers	74 5/8	58 3/4	62
Pressed Steel Car ..	64 5/8	29	30
U. S. Rubber	59 1/2	31 1/2	36 7/8
Am. Woolen	48	22 1/2	24

The lynching of the corporations in the United States provoked fresh liquidation in Wall Street this week with its consequent weaking effect on the Canadian stock markets. The attacks on corporations came in a large cluster and North Carolina's action recalled the Ante-bellum days when that state was in the forefront in conflict with the fourteenth amendment of the rigid paper constitution of the United States. The capitalists who have been loud in their objurgation of President Roosevelt can now say that he has sowed the wind to reap the whirlwind. One consolation can be obtained from the situation. The people of the American Republic carrying, as they do, all their enthusiasms to extremes, will the sooner react to a calmer frame of mind by reason of the extremity of the present onslaughts on capital. The Standard Oil fine and its possible effect of diverting American capital to Canada are discussed in the editorial column of this issue.

These occurrences have, in a sense, transpired at the most favorable time, because the stock market movements are now largely in professional hands and it is better to have these troubles in a period of depression rather than when the stock market is in a state of recovery.

In Canada the monetary situation is now becoming daily more acute. While sensational reports come from the Northwest of damage to the crops and these in their exaggerated form can be disregarded, the fact remains that a crop about sixty per cent. of last year's is the most that can be hoped for. The effect of frost upon a late crop now becomes an imminent danger when we find the temperature around Calgary in the thirties, as occurred on Monday.

The pessimist is beginning to extract the sunbeams from his cucumbers. One leading manufacturer stated to The Post that a poor crop this year was what he had been praying for. He did not desire, of course, a succession of bad crops, but he thought that one short crop was the best means of bringing the people to their senses, of putting a dead stop on the excessive expansion, of curtailing advances to new undertakings and most of all, it furnished the solution of the labor question. The demands for increased wages, which had already reached their maximum, would be effectually checked and a year of really "hard times" should reduce wages to a saner scale. However sound this reasoning may be, it has the merit of putting the subject in a striking fashion.

Yet it must seem as if the stock market had discounted the prospect of a lean harvest throughout North America. There seems, meanwhile, also an apparent tendency to regard the present prosperous period as nearing its close. It is true that no very definite indications are as yet apparent, but in many branches of business the constriction of credit which has been going on within the past few months is beginning to have an effect. The market for unskilled labor in the United States is apparently somewhat overstocked. Enormous immigration on the one hand and absence of development in railway construction and in general building on the other, have resulted in an apparent growth of unemployment. One indication of this condition is the flight of Italians from the United States to Italy. There has always been a considerable amount of repatriation of the immigrants of Southern Europe, but this is going on just now at an accelerated rate. A falling off in the demand for unskilled labor strikes this class of immigrant first of all, and the movements of the class being almost immediately responsive to the conditions must, therefore, be regarded as offering important indications. The difficulties which the railways are experiencing in obtaining money account fully for the falling off in the orders for steel which has made itself manifest in the accounts of the United States Steel Corporation.

In Europe, the monetary situation cannot be described as being in very stable equilibrium. Consols have reached a fresh low point. The Japanese loan for the Manchurian railways has not fully succeeded, although the whole loan appears to have been underwritten. In one sense this partial failure may be held to be due to the state of the market. There were, however, other reasons—reasons which ought to have made the underwriters wary. The former Japanese loans were floated on the top of the wave of enthusiasm about Japan. They were, moreover, very largely assisted by the Jewish financial groups, not because they loved Japan more, but because they loved Russia less. This motive does not operate now; and the groups dealing in this class of securities are pretty well loaded with them. An addition to their holdings was not to be thought of in the present state of affairs. American purchasers of Japanese securities are also under present circumstances, unlikely. When it is considered in addition, that Japanese statistics of their financial position leave much to be desired in point of definiteness and that Japan's adventure in Korea will probably involve the country in largely increased expenditures, leading to fresh applications to Europe for money, the situation is not so hopeful as to justify any great extension of credit to a country already overburdened with debt.

The absorption of funds for crop-moving purposes, usual at this time, may be rather later than usual; but it must come and until it is seen what it amounts to, preparation for it must intensify the stringency for the time being.

Heavy drafts for American tourists in Europe are looked upon as inevitable in August and September and to this outgoing may be added the interest payments upon the heavy American indebtedness to Europe which still remains unliquidated. It is reported that some finance bills have been recently taken up, especially in Berlin; but the power of absorption of that market are limited, and in the absence of support of such issues in Paris and London, too much reliance cannot be placed upon that means of ameliorating the situation. Although the financial position is undoubtedly much more stable than it was at this date four years ago; yet there is at present no signs of immediately returning equilibrium.

Toronto Railway.

The Toronto Railway Company for the seven months of the year exhibits an increase in gross of a few dollars under $200,000. July earnings were the largest in the company's history. The gross earnings for the year should be about $3,600,000. Owing to the increase in wages operating expenses should be on a slightly increased ratio, compared with last year, though otherwise economies have been effected which may, however, be counterbalanced by the increased service. Net earnings for 1907 should be, however, about $1,675,000, an increase of $200,000 over the year 1906, of which, however, $100,000 will be absorbed in the additional percentage paid the city, which is 20 per cent. on all gross receipts over $1,000,000.

The gross figures for the seven months are:

	Earn.	Inc.
January	$254,812	$18,683
February	233,860	23,328
March	264,304	30,490
April	261,608	30,574
May	279,773	31,241
June	285,622	30,743
July	300,591	34,699
Total 7 months ..	$1,880,571	$199,579

For the week ending August 3rd, the increase in gross was $7,295.

Soo.

In Wednesday's break Soo common shares were extremely weak and declined seven points to 98. On Friday they sold at 97 3/8. Unlike C.P.R., these shares are among the first to feel the depreciation in New York, owing to wearied holdings in St. Paul and Minneapolis. The figures for the year show net earnings at $5,458,530, a decrease of $331,372 on the year. Even on this basis the net earnings show an increase of eighty per cent. in four years. In a review of the

(Continued on page 4)

LAKE SUPERIOR CO.

BETTER PROSPECTS ARE NOW LOOMING UP.

How it was Floated on Water—Two-thirds of its Stock Padded—Its Inevitable Downfall—Its Better Record Since Reorganization—Its Great Natural Resources—The Great Gain in Profits in 1906—The rise in Pig Iron This Year Will Prevent a Large Increase—The Future of the Company

Some half a dozen years ago Mr Francis H. Clergue, was known in several countries as the captain of all the great captains of Canadian Industrial enterprise. His name was synonymous with everything progressive. His was the master mind which caused the waters of inland seas to be harnessed for daily toil, and planned the recovery of minerals hidden deep in many a remote mountain and cavern. At his bidding the trees of the forest were hewn and passed through intricate mechanical processes in the making of pulp and paper. The same indomitable spirit contrived railway projects and conceived elaborate schemes to absorb thousands of immigrants upon millions of acres of territory near the line of railways; the land concessions being given by a friendly and sympathetic Porvincial Government. Iron works, a vast steel industry; gold, nickel, copper and iron ore mines; separate companies controlling water and light, electric power development, power canal construction, transit and express companies, and a score of subsidies of greater or less degree, stand to-day as monuments to this "Napoleon" of Canadian industry—a term he was frequently called by admirers at that time.

Promotion vs. Execution.

But, it must be said, that there was again a "Waterloo," and the monuments of fame narrowly escaped being sorrowful tombstones to mark the decayed and decrepit remains of a great ambition. Had Mr. Clergue contented himself with the promotions, for which he had an extraordinary aptitude, the history of the "Soo" works would have been another and a more favorable story. As is only too frequently the case, the successful promoter must needs delve into the mysteries of executive management, and Mr. Clergue was no exception, and, as might be expected, after extravagant and altogether unnecessary expenditure, together with a staff of highly paid and frequently incompetent assistants and heads of departments the end came and the enormous works of the corporation were thrown into a lengthy period of enforced idleness, while the financial standing of the company received a blow from which it has not completely recovered to this day.

A Perfect Situation.

Much is undoubtedly due to Mr. Clergue's grasp of the great potentialities of the resources of Newer Ontario. Others had, no doubt, fully appreciated the possibilities of the tremendous working power of the falling waters of Lake Superior, but it remained for him to interest the financiers of Canada and the United States, to a supreme effort to control the forces of nature. The country surrounding the Sault Ste. Marie centre is rich in many of the products for which there is a ready and remunerative market, and it only required cheap electrical energy to place the district in the first rank as a manufacturing centre.

Geographically, the situation was perfect, as shown by the fact that more shipping is said to be conducted through the locks of the Canadian and American waters at that point, than in the busy ports of Liverpool, London, or Glasgow. It, therefore, was only a question of power, and with that end in view the Lake Superior Corporation was organized and initial operations carried on with great haste.

The Downfall.

It will not be necessary to tell of early struggles, as the object of this article is to consider the possibilities of the company and its stock from the investors' point of view. But it will be useful to review the circumstances which immediately preceded the transitition from the old to the new financial regime. Notwithstanding a total capitalization of over one hundred million dollars in the early months of 1903, the company, owing to its large current indebtedness, found itself in an extremely precarious position. To provide funds there had been borrowed a sum of over five million dollars from Messrs. Speyer & Company, of New York, and as payment had long been deferred, the financial house had prepared to place the whole series of properties of the corporation up for public sale. The date fixed for this extreme episode was December 15, 1903. There was also a sum of $1,500,000 owing for floating indebtedness, making in all something less than seven million dollars to save the company from the hands of the official receiver.

Two-Thirds Water.

Up to this time there had been expended an amount equal to twenty-eight million dollars, not including the foregoing debts, upon the properties which, as already stated, had a total capitalization of a par value of about one hundred million dollars. It can, therefore, be seen to what extent the property had been "watered" and how the operations were handicapped by "dummy" scrip of less than one-third the par value of the amount outstanding. The actual amount of cash put into the company on capital account represented less than 33 per cent. of the total capitalization.

The importunate demands of Messrs. Speyer & Company for the settlement of the five million dollar loan, thus nearly brought to an untimely end a corporation with avowed assets in property holdings of over ninety million dollars, and it can be apreciated with what energy the company's directors worked to rescue the wreck. Stockholders were earnestly invited to underwrite without delay a sum of $8,000,000 to repay the creditors and to allow a reasonable sum for working capital, it being pointed out that they were thus acquiring for $8,000,000 properties, which cost $35,000,000 in actual cash, but this was obviously only a picturesque form of presenting the true situation. The shareholders were merely buying back their own property and in the process automatically squeezing out much of the water which had been allowed to swamp the industry from the first. However, the reorganization scheme was the only way to save the properties from the liquidator, and, in its way, was a very successful form of financial salvation.

The Reorganization.

After the reorganization the capitalization stood at forty million dollars of common stock, ten million dollars of 40-year 5 per cent. gold bonds, and three million dollars of 5 per cent. 20-year income bonds—a total of fifty-three million dollars, practically all of which is outstanding. It should here be said that the Ontario Government gave material aid to the reorganization scheme in the form of a guarantee upon a loan of two million dollars.

A Change for the Better.

Let us now turn to the more recent and more favorable side of the company's financial and industrial position. The commencement of the new era, was in 1905, when there was, for that fiscal year, a surplus of $34,802. There was no payment of interest, however, on the $3,000,000 5 per cent, income bonds in that year, the interest being payable on this security as earned. An initial dividend of 5 per cent. was paid on these income bonds in the following year of 1906. Everything considered, the record of 1905 was an exceedingly satisfactory one, as it can readily be imagined with what difficulties the management was beset in re-starting operations on such an extensive plant after a long period of inactivity. It can also be appreciated that the first half-year of 1905 would not be a productive nor a profitable period for the same reason.

As the official report for the current year ending June 30, 1907, will not be published until September or October, the 1906 figures are the only returns by which any present review of the company's position may be made, but they are such as to give great promise for the future success of the only hundred-million dollar, (the original capital), industrial corporation in the Dominion of Canada.

One Per Cent. Earned on Common.

Against surplus earnings of $34,802 in 1905, there was, in the following year, a surplus from operations of $556,880. Although this entire amount was placed to the general profit and loss account, a sum of $150,000 was set aside by the directors for the full payment of 5 per cent. on the income bonds. As, however, this was not accounted for in the 1906 statement it is to be presumed that it will be taken from the balance carried forward to this fiscal year. These income bonds are not in the form of mortgage bonds, having been given the original stockholders in return for their three million dollars' cash assessment in the reorganization. There is a small floating supply of these bonds, but they now appear to be a particularly good form of investment, carrying as they do, a priority over the forty million dollars of common stock. They are quoted at a low price on the market, and give a very liberal investment return on the purchase price, which has ranged from 50 to 30. In 1906 the earnings available for distribution represented over 18 per cent. on these bonds, which, considering that there were some heavy charges on account of the previous year's reorganization, would apparently place the future interest payments on these income bonds in a fairly safe position.

In regard to the common stock of forty million dollars outstanding, the position is not so desperate as a casual glance would suggest. Although undoubtedly it is a tremendous capitalization, it must not be forgotten that the company has almost unlimited resources, and the comparative cheapness of power and labor at that centre, are factors which present vast economic possibilities.

It requires only net profits of about $500,000 to meet the entire annual fixed charges on the mortgage bonds and taxes and this amount was easily earned in the year 1906, notwithstanding all the handicaps of that year, so soon after reorganization.

After providing for all bond interest, including that of the income bonds, the surplus earnings of 1906 showed a return of about 1 per cent. on the forty million dollars outstanding capital stock During the year ending June 30, 1907, the works have been operated on the most aggressive scale of activity, and especially has this been the case in the blast furnace and steel rail departments. Many improvements have been added and extensions made to these plants, and the capacity greatly increased since a year ago. Neither has there been a scarcity of orders to take up the increased consumption; in fact, in common with the other producers of steel and iron products in this country, the company has not been able to fill all the orders which have been offering.

Any attempt to approximate the earnings of the huge corporation for the year June 30, 1907, would, without inspiration from any of the directors or officials, be almost impossible, or at best unsatisfactory, and, as there is a hard and fast rule against such information being given any publicity until the final returns are issued, the reviewer must needs fall back upon the degree of industrial activity known to have existed during the year, for his deductions. It is most unfortunate that the profit-making pulp works were so badly damaged by fire some months ago, as the average earnings will have been considerably reduced. The plant is, it is understood, now working at its fullest capacity, and may somewhat retrieve the ground lost since the fire took place.

The Rise in Pig Iron.

The rise in the price of pig iron will militate against any large increase in the earnings for the fiscal year recently concluded, but it is expected that they will be quite as satisfactory as last year. The company is unable, with its present facilities, to produce all the pig iron they require in their largely increased production. The result is that it is compelled to buy about 400 tons of pig iron daily at a cost of $9 per ton above the cost of their own pig iron. It is authoratatively estimated that the loss to net earnings under this head is a million dollars per annum.

More Capital Wanted.

To furnish the company with a plant capable of producing all the pig iron required by the company would involve a capital outlay of $1,500,000, out of which the net earnings could, under present conditions, be increased $1,000,000 annually. The money market is at present in no condition to consider a proposition of this nature. The capitalists in Philadelphia and New York, who have a large stake in the company, may be able to furnish the funds in time, and when this is done, there is a secured future for the much tried Lake Superior Corporation.

The U. S. Opposition.

The decision of the United States Steel Corporation to enter Canada and to establish a plant at Sandwich is a factor to be considered. This great organization, with its resources and unlimited capital, will be in an undoubted position to secure a large portion of the steel business in this country. The Lake Superior, the Dominion Steel and the Nova Scotia Steel Companies have natural advantages and proximity of raw material that may counteract the advantages possessed by the U.S. Steel Corporation. Canada is growing so rapidly that by the time the U.S. Steel plant is in operation there should be enough business to go round.

HIGH-PRICED CAPITAL.

American Railroads Can Afford It—A Long Period of Dearer Money.

The incoming of an era of high-priced capital has been emphasized in these columns. Mr. C. A. Pugsley, a member of the executive council of the American Bankers' Association in an interview given to The New York Times, says:

"The time for low interest, even on high-class investments, is past. Those who have money to invest at present are fortunate, for they have a right to expect 4 1/2 and even 5 per cent. on gilt-edged securities of all kinds. The fact that New York City bonds go begging is a favorable rather than an unfavorable sign. It shows how great are the demands of the country.

"A few years ago 3 per cent. was considered enough for the investor. Then the price rose to 4 per cent. Now this is found not enough, and it will be many years before the rate is reduced to its former level. The best of it is that the earings of commercial enterprises are so great in America that they can afford to pay the higher interest.

"I do not consider that the dividends of the American railroads are too high. They are deriving vast earnings from invested capital, and their needs for further capital are almost unlimited. It is natural that they should bid high enough to get what they want. All this means grand opportunities for the investor."

Grand Trunk Stock

IT MIGHT REPAY CANADIANS TO GIVE IT HEED.

Dividend Prospects on the Ordinary Shares—The Home Investor Has Been Prone to Disregard the Three Great Home Companies—Fortunes That Slipped by in C.P.R. and Hudson's Bays.

While Canadians are not at present interested as shareholders in Grand Trunks to any extent, the time is not far distant when the prospects of the ordinary stock will be such as to give it a considerable position in the stock market centres. The Canadian investor has been somewhat prone to disregard the possibilities of the companies which are most concerned with his own country. The three largest corporations which have had to do with Canada are Canadian Pacific, Grand Trunk, and Hudson's Bay. A fourth will in a comparatively short time be before the public with its common shares—the Canadian Northern. In the case of C.P.R. and Hudson's Bays, which were both at one time dealt in considerably by Canadians, the home investors have let the golden time slip by, although it is safe to say that most Canadian market operators who look back on their experience will realize that they have made more money out of their purchases of C.P.R. than all their operations in United States securities. The future prospect of appreciation is still the most attractive of any of the older railroads on the continent.

In regard to Grand Trunk's there has been at one or two periods a certain amount of local interest fostered. Even the arrangement of local quotations and the facilitating of transfer of shares failed, however, to arouse sufficient support. The Canadian public felt that Grand Trunk's were too slow. Until the road came under the present management there was also a lack of faith in the system generated by too great a familiarity with the inside workings.

The time has now come, however, when greater activity may be looked for in Grand Trunk ordinary stock. A dividend return is now in sight. In addition to the intrinsic merit of Grand Trunk proper, there is the Equity possessed by it in Grand Trunk Pacific which opens up a vista of great possibilities. It might well repay Canadian investors to give some attention to the shares of this, the oldest of our railway systems.

A discussion of Grand Trunk prospects contained in The London Financial Times will therefore be of interest:

"The Grand Trunk half-year ended on 30th June is only the first six months of the company's financial year. Thus the dividend to be declared is only in the nature of an interim payment. Moreover, dividend estimates have been forestalled by the definite announcement of the president at the meeting in April last that no interim payment would be made upon the third preference. The working statement from month to month have revealed extraordinary vitality in gross revenue, accompanied by very large additions to expenses, but for the five months ended 31st May there was a net advance for the entire system of £36,000. The balance brought from 1906 was £9,000 higher and £46,000 may be saved in connection with the special taxation item charged off in June, 1906, whilst the balance carried forward at the latter date was £16,077. There is thus a balance of £107,000 after paying the second preference dividend to provide against any extra capital charges and to meet any possible decline in the net receipts for June, when gross increases were not so large as in preceding months. There is every prospect of a handsome balance to be carried forward to the second half-year, and bearing in mind that only £71,000 is required to pay the full 4 per cent. on that stock, there is not much doubt that, with merely normal conditions in the current six months, that rate will be paid for the present year. Whatever the conditions may be, no dividend on Trunk ordinary is expected this year, though it is obvious that the actual profits of the railway for a long time past have been greatly in excess of its distributions. Indeed, the large additions to working expenses in the past few years have been shown by the accounts to be due to liberal expenditure on the road and rolling stock and upon the physical improvement of subsidiary undertakings. To the extent that current working expenditure is incurred upon the property and not in actual operating charges, the ordinary stockholders benefit most materially, even though they have not yet tasted the delights of a dividend."

The opening of the extension of the Great Northern from St. John, N.D., to Brandon, Man., seventy-three miles, brings new jobbing territory tributary to Minneapolis and St. Paul. The road is known officially as the Brandon, Saskatchewan & Hudson Bay Railway Co.

BANK OF MONTREAL

(ESTABLISHED 1817)

Incorporated By Act of Parliament

Capital (all paid up), $14,400,000.00. Rest, $11,000,000.00. Undivided Profits, $422,689.98

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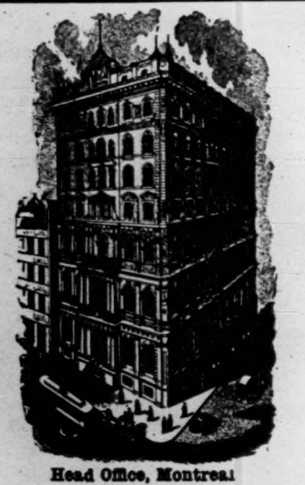

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Vice President—Jonathan Hodgson, Esq.
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61 BRANCHES THROUGHOUT CANADA

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SMALL MEN STAND SMALL CHANCE.

XXXI.

As a rule a man's business is a pretty fair measure of the man's capabilities; some men have the capacity to run a popcorn stand, and run it well, but if they attempted to run a number of popcorn stands they would fizzle out completely; they haven't the breadth of mind to grasp the requirements of a large business, and they attempt to apply their small conception of running one small stand to the greater undertaking of running a number; it can't be done, and of course they fail.

As one broadens his business he broadens his responsibilities, his scope, and he must change his viewpoint. A magnifying glass is all well for flowers and bugs, but to see the stars plainly one must change to a telescope. And this inability to look through different glasses marks the man who would better stay close to shore, where little boats are safe.

A certain merchant was uncertainly and timidly opening a mail order department, writes A. S. Moural, furnishing an illustration. He had his new letterheads and his catalogue prepared, and he faced the necessity of getting out some strong circular letters to the trade in different parts of his territory. He knew nothing of the scientific side of letter writing, and he realized he must have letters written according to the most modern methods in order to compete with other mail order houses already well established. He was a shrewd enough business man to know that each step must be taken in its right order and according to modern methods.

He interviewed a man who was known to be unusually clever in this line, in fact, who had built up a large business in another line wholly through his letters. The expert correspondent was not in the habit of giving advice or assistance, but through a spirit of business cordiality he talked the matter over fully with the business man and expressed his willingness to be of practical assistance. Much gratified, the merchant left.

Several days later the correspondent was passing the business man's office and stopped to see him. He was out. Sitting down at his desk, which was open, he picked up a pen and several sheets of the new letterhead and began framing up a series of letters such as he had suggested in the merchant's visit. He became interested in his task and for two hours wrote away, completely skeletonizing the plan of correspondence. The merchant had not returned when he finished, so he put a weight on the papers, left a note and departed.

A few minutes later the merchant came in. He read the note. He glanced at the pile of closely written pages; a heavy frown gathered on his forehead; he turned to his stenographer, pointing savagely toward the pile of manuscript. Why didn't you supply him with scrap paper?" he demanded. "The idea of using up all that good letterhead!"

Though he was getting the services of an expert free, what he saw first was the needless waste of a few sheets of paper that had cost, perhaps, $2 a thousand. That man must necessarily always remain in the small business.

Another man in a different line decided to branch out and open offices in several large cities. He engaged the services of an enterprising, wideawake young man who had had successful experience in large businesses and who intended to make a success of whatever he undertook. He was cautioned to make his expense account as low as possible until the office would be paying for itself, but for the rest he was left to his own devices.

The young man went to the new city, opened the office, started the business going, and then set about to acquire acquaintances that would be of value to his enterprise. He affiliated with the local lodge of which he was a member, attended all kinds of public meetings, and got himself invited to give some business talks at commercial clubs of his own and neighboring small towns. His entire time, day and evening, he devoted to making himself 'solid" with the people, for all of which he cared not a rap, excepting as it would help the new business he was establishing. When he sent in his first monthly statement he made a note of the fact that he had done these things and that he considered he had laid a good foundation for future activities. The expense account was small, for he had charged nothing for his car fares, transportation to suburban towns, etc.

Imagine his surprise to receive a long letter chiding him in the matter of his many "extravagant and useless" outlays; telling him that above all things small expenses must be watched and adding that they had cut out the items which they considered useless.

Quickly the representative looked over the list; the huge sum of $2.25 had been eliminated, the price of a second-hand typewriter stand. And returning to the letter it was found that the manager suggested that he could have used his own desk, as well as to get one especially for the typewriter. Not a word was said regarding the meetings the representative had attended, the interest he had worked up by personal means, the out-of-office-hour devotion to business interests, to say nothing of the car fares which amounted to much more than the sum cut out as "useless."

The young man sat thinking for some time, more amused than angered. Then he quietly turned to his desk and wrote out his resignation. His plans were on a broad scale; to work for a firm of that calibre meant to be constantly handicapped by petty restrictions that would actually prevent his success, as well as all sense of pleasure in the work. It was useless to go any further. Other more enterprising concerns would give him his opportunity.

This happened several years ago. So far as I am able to learn that concern is still barely holding its own, with no branch offices.

The world is full of little minded men. If you are one, better stick to your popcorn stand; if you are an employe, stay away from them as you would the plague; they'll never grow themselves, and they'll see to it that you do not have a chance to grow.

Securities That Have No Market.

Where is my market place? And what can I get for my stocks should I want to sell? Here are two pertinent and vital questions a savings bank depositor should always keep in mind when solicited to invest his money. What good is it to buy a security that has no market? When you need money badly you cannot get it. You are like the man then whose stomach has given out. Although he is surrounded with a feast of good viands he canot touch any of them. A thousand per cent. advances in value on paper, that bait which the get-rich-quick promoter knows by experience is the most tempting to dangle before you, disappear like the colors of the rainbow when one tries to cash them. When investors will learn to find out if there is a market for a security and that they can sell what they buy at somewhere near the price they paid, or better, there will then be a less number of confidence men doing business as promoters.—The Financial World.

SOUTH MANCHURIAN RAILWAY.

The partial failure in London of the South Manchurian loan for 20 million dollars, public subscriptions therefor, amounting to only 50 per cent. of the issue, though unfortunate will probably not result in the abandonment of the enterprise, says the New York Financier. Because of the great importance of this line and the commercial advantages which will be obtained through its completion, it seems likely that when conditions shall become more favorable the unsubscribed portion of the bonds will be offered and with greater success, and the road will ere long be completed. It will not only contribute to the development of commerce in the Far East, but it will shorten the distance between Great Britain and Japan, via the Siberian Railway, by at least four days, thus facilitating passenger service. The Russian Government is double tracking the Siberian road, and in the reconstruction of the Manchurian line the gauge will be widened to the standard, so that transportation will be uninterrupted and transcontinental freight be promptly despatched.

It will be interesting to note that in the last stages of the Russo-Japanese war, after Port Arthur was captured—the victors pushed their lines far to the north and, in order to provide against all contingencies, the Japanese converted the gauge of the old road to their standard of three and a half feet, the intention being that, in case of a repulse in the advance movement, the Russians would not have the advantage of a gauge uniform with their own by which pursuit could be facilitated. After the close of the war preparations were made to restore the gauge to the original standard, and in order to provide for such restoration and for the extension of the road from Fuchau, Korea, to Harbin, the connection with the Russian Siberian line, the desired capital is sought.

As soon as the road shall be completed, coal, from the abundant deposits in Manchuria, can be carried to Dalny and thence transported, by water, to any part either of Japan or China; iron is also obtainable in great quantities and of excellent quality, and from these sources alone a large revenue should be secured. It has been demonstrated that the agricultural products of Manchuria can be most profitably grown; grain supplies of the territory, during the war, were sufficient for the maintenance of both armies. Independently of the advantages to the company resulting from traffic the completion of the road will encourage settlement of the territory and, presumedly, largely by the Japanese; they will introduce modern methods of conducting business and with the "open door" policy, which will be maintained, European and American commercial enterprises will be promoted.

NO PROMPT ACTION IN ESTATE.

York Loan Affairs Will Remain Same Till September 17th.

Nothing further will be done in connection with York Loan affairs till September 17th, when a meeting will be held to decide on a further course of action. The liquidators, the National Trust Company, are disposing of the real estate. An amendment was secured to the Winding Up Act to enable each class of shares to be represented by counsel. The liquidators were unable to determine whether the holders of certain classes of shares were entitled to special treatment or not. The last statement of the liquidators showed assets of $1,319,064.39 and liabilities of $7,112,632.62, thus making the dividend 20 cents on the dollar.

A WARNING TO SUMMER TOURISTS

In traveling these days be most careful what you drink. Bacteria lurks in places you would never suspect. Be on the safe side and drink Radnor Water, knowing it comes from an absolutely pure source in the heart of the Laurentian Mountains. Insist on having Radnor wherever you go.

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HEAD OFFICE, TORONTO ESTABLISHED 1867

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ALEX. LAIRD, General Manager,
A. H. IRELAND, Superintendent of Branches

Paid-up Capital,	$10,000,000
Rest, - - - -	5,000,000
Total Assets, -	113,000,000

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This Bank transacts every description of Banking Business, including the issue of Letters of Credit and Drafts on Foreign Countries, and will negotiate or receive for collection bills on any place where there is a bank or banker.

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The Dominion Bank

HEAD OFFICE - TORONTO, ONT.

Capital Paid-up - - - - - -	**$3,600,000**
Reserve Fund and Undivided Profits - - - -	**4,565,000**
Deposits by the Public - - - - -	**35,000,000**
Total Assets - - - - - - -	**50,000,000**

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HEAD OFFICE, TORONTO, ONT.

Capital - -	**$4,000,000**
Rest - -	**4,500,000**
Assets - -	**37,000,000**

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THE BANK OF TORONTO

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Notice is hereby given that a dividend of one and one-quarter per cent. (1¼%) for the quarterending 31st July instant, being, at the rate of 5% (5 per cent.) per annum, on the paid up Capital Stock of this Bank has been declared, and that the same will be payable at the Head Office and Branches of the Bank, on and after the 15th day of August next, to shareholders of record of July 31st. The Transfer Books will be closed from the 1st August to the 15th August, both days inclusive.

By order of the Board,

F. W. BROUGHALL
General Manager.

Toronto, 9th July, 1907.

United Empire Bank of Canada

"This Bank shows a steadily increasing patronage, due to its strength, conservatism and general policy. If you have in mind the opening of a new account, either savings or checking, we cordially invite you to become a depositor"

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Dora Speers, Secretary

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OF CANADA
INCORPORATED 1869

Capital paid up - - $3,900,000
Reserves - - - $4,390,000
Total Assets - - - $45,000,000

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ENGLISH BANKERS' VIEWS

LONDON MONEY MARKET GAINS SOMEWHAT.

In Strength, Says Sir Felix Schuster—The Cheapest Monetary Centre and Freest Market—Three Hundred Millions of Colonial Securities Are Now Trustee Stocks—One Cause of Depreciation in the English List—Hopeful of the Future.

At the meeting of the Union of London and Smiths Bank (Limited) Sir Felix Schuster gave his views of the cause of stock market depression and money stringency. He takes a hopeful view of the future:

Investments were, he said, after all, like other commodities, subject to the law of supply and demand, and the creation of new securities had in the last decade been on such a scale that the growth of liquid capital had not been equal to absorbing them easily. Two great wars, destructive of capital, had entailed enormous borrowings. The creation and development of new industries and inventions, especially with regard to locomotion, had made vast demands on the money markets; prosperous seasons and active trade in countries such as India, the United States, Canada and the Argentine had led to the raising of capital for railways; prices of commodities had risen considerably, more trustees stocks and more capital was required for trade. Those symptoms were to be observed in all the great industrial countries, while in the case of England the enlargement of the field of investments available for trustees through the admission in 1900 of about 300 millions of Colonial securities had had a great effect on the market in trustee stocks, in lessening the demand for the securities of the British Government, the supply of which during that very period was so largely increased through the War loans and by the successive issues of Irish Land stock.

Thus speculative holders, disappointed in their hopes of cheap money, had been compelled to sell at a sacrifice, and the depreciation, apart from other causes was not hard to explain. There was, however, reason to consider it greatly exaggerated, and only temporary.

Money Market Regaining.

Gradually the London Money Market was regaining its former strength as one of the cheapest, if not the cheapest, monetary centre in the world, and certainly the freest market for gold, and there was no doubt that foreign investments must of late have been very largely increased, with the result that the international monetary position showed considerable improvement. Moreover, though there was depression on the Stock Exchange, the country as a whole appeared to have been prosperous, and the saving power of the nation should gradually overcome the effects of the war, and be restored to its former strength, especially if some restraint were placed on a certain tendency to extravagant expenditure—public, municipal and private. If that were the case there need be no fear of the ultimate restoration of the national credit to a more normal level.

The Gold Reserves.

One subject which had lately engaged a good deal of public attention and comment was that of gold reserves. It was one full of difficulty, in which many interests had to be considered, and no hasty steps must be taken which might disturb the legitimate credit system and trading facilities which the development of modern banking had evolved, to the great benefit of our commerce. At the same time he was more confident than ever that a proper solution would be arrived at before long. Already the general position was much improved. A forecast was difficult, but they might look forward to the maintenance of steady rates for money, though there was no reason to fear that they would be excessively high. On the whole, our trade had been carried on on sound and prosperous lines, and the effect both on the deposits of banks and the investment markets must ultimately make itself felt.

New Capital Required.

At the meeting of the Capital and Counties Bank, Limited, Mr. Merriman said that in the past financial year the main feature had been the unbounded prosperity in all parts of the civilized community, with the exception of South Africa. During the last four and a half years there had been applications for fresh capital to the extent of 608½ millions sterling. In ordinary times these applications would have satisfied the public for ten or fifteen years, but we advanced rapidly in these days, and we could not be surprised that there had been great depression in first-class investments. The cumulative effect of this demand had been to create a scarcity of money in London, with high rates of interest. The stock markets had been in a most unsatisfactory condition; indeed, in the House itself great anxiety prevailed, and losses had been incurred by the realization of overweighted accounts. Although we enjoyed the blessings of peace, our taxation rested practically on the bases of war. The sooner this state of affairs was redressed the better it would be for the community at large.

BANK BUILDINGS.

The Changes Which Recent Years Have Brought—The Corner Lot Unnecessary.

Among the many changes which have taken place in Toronto during the past few years not the least noticeable is the evolution of the bank building, says The Toronto Mail and Empire. Formerly there was little or nothing in the external appearance of the home of a bank to distinguish it from any other office building except the name on the window. To-day the bank building of new creation is sui generis. In its solidity, in its architecture, and exclusiveness it stands conspicuous among buildings of the conventional type, and is an emblem in stone, brick and mortar of the solidity, the permanence, and the wealth of the institution which it houses.

A few years ago the only two buildings which carried out this idea of exclusiveness were the Molsons Bank on the corner of King and Bay Sts, a very fine example of the classic, and the Bank of Montreal on the corner of Yonge and Front Sts. Almost all of the other banks occupied buildings of the conventional "office" type, with handsome quarters reserved for themselves, but suffering in distinctiveness by the rows of upper flats leased for other purposes. To-day the tendency is in favor of low buildings, erected exclusively for their own occupation, and of a much more massive and striking form of architecture.

The banch banks which are rising all over the city in many cases throw their head offices into the shade. They have a character so entirely their own that a glance at the inscriptions on stone and brass "Bank of So and So" is almost superfluous.

The architecture of the modern Canadian Bank is a free treatment of the classic. Pure classic is not attainable, but is modified to suit the climatic conditions of the country, and the exigencies of available space. To the uninitiated in the mysteries of architecture the effect is classic enough to convey an impression of solidity, combined with graceful outline and individuality.

Another advantage of this class of building is that it is not necessary to erect it on a corner lot, in order to obtain the necessary amount of light, as the absence of upper stories permit of its introduction through broad skylights, ensure perfect distribution throughout the room. The banks are beginning under this new order of things, to get away from the corner lot idea, to save money on the cost of the land, and expend more on the building. Many bankers holding that their institutions do not require the accessories of a double frontage to attract custom like the retail stores, and that a man with money to deposit will willingly walk fifty yards further down the street for the purpose, particularly when the character of the structure is such as not only inspires the utmost confidence in the stability of the institution, but to make it a very prominent feature of the street.

Another noticeable change in Toronto banks during the past few years is the interior arrangement. The grille work, through which the customer peers at the man behind it as if he were in a menagerie, is beginning to disappear, and give place to broad, polished counters; the ample sweep of mahogany between the public and employes affording as great a security to the piles of bills as the most elaborate arrangement of locks and bars. This arrangement gives an effect of great space, and better light, and renders less constrained the necessary interchange of remarks between customer and clerk.

Another modern tendency is toward uniformity in the architecture of branches. Of this the most striking instance is the Bank of Commerce, which has recently erected a number of branches. The same general style of construction has been preserved, though differing somewhat in detail, and the result is that the "brand," so to speak, is readily recognized.

The banks are now expressing, through the oldest of arts, the wealth and stability which marks the financial institutions of the Dominion.

Newfoundland has a warm spot for the Bank of Nova Scotia, which was the first to come here after the crash, and which, by the skilful and courteous conduct of its affairs, has won a position of which it, and all connected with it, may be justly proud."

BRITISH AND U. S. TRACTIONS.

No Overcrowding in America in Comparison With Britain.

The reports of the committee which made investigation of public utilities in the United States and in the United Kingdom of the effect of municipal ownership, brought out some interesting comparisons of street railway figures in the two countries.

According to the British census of 1901 and the United States census of 1900, 69 per cent. of the entire population of the United Kingdom was urban in character, compared with 44.6 per cent. in the United States. The total urban population there was 29,144,726, and here 23,850,000.

In 1902 the total length of street railway track in the United Kingdom was 2,336 miles. In the United States there were 22,328 miles of track. The urban population over these was 12,476 per mile of track, compared with 1,516 here. In 1902 British tramways carried 1,394,452,983 passengers, compared with 5,521,509,521 carried on the street railways of the United States. The average American car carried 93,585 passengers per year, as compared with 182,463 carried by each British car.

The average receipts per passenger in the United Kingdom was 2.26 cents, as against 3.76 cents in the United States. However, 9.65 passengers rode per car mile in Britain as compared with 5.2 passengers in America. The increase in passengers carried between 1890 and 1902 in Great Britain was 868,083,625. In the United States the corresponding increase was 3,598,499,318.

British Street Railways, 1905.

	Population Served	Miles of Track	Population. Per mile.
Greater London	6,581,000	274.68	23,958
Glasgow	1,000,000	147.62	6,779
Manchester	850,000	146.19	5,130
Liverpool	798,000	104.00	7,663
Birmingham	650,000	44.50	14,606
Leeds.	450,142	89.07	6,765
Sheffield	432,940	65.83	6,577
Patteriles District	400,000	38.43	10,409

American Street Railways, 1902.

	Population Served	Miles of Track	Population Per mile
New York	3,716,169	1,349	2,754
Chicago	1,873,820	925	2,026
Philadelphia	1,367,716	540	2,533
St. Louis	612,279	345	1,775
Boston	594,618	228	2,330
Baltimore	531,313	338	2,330
Cleveland	414,950	182	2,280
Buffalo	381,403	198	1,926
San Francisco	355,919	283	1,257
Pittsburg	345,045	176	1,960

In Great Britain, naturally, the greatest density of population as found in London, where the inhabitants are 23,958 per mile of track. Second to London is West Ham, with 17,616. In the United States the city with the biggest population per mile is Jersey City, with 3,658. There are nineteen cities in Great Britain with a higher rate than this.

BANK OF
NOVA SCOTIA
INCORPORATED 1832
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Reserve Fund - - - - $5,250,000
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A weekly newspaper aiming to present to the public in a popular manner accurate information relating to the financial interests and legitimate investments of Twentieth Century Canada.

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Managing Editor, - - - Stewart Houston

Toronto, August 10, 1907.

THE RED RAG OF CALL LOANS.

The monetary conditions throughout the country have produced many criticisms and protests in regard to Canadian banking methods. To the financier who is largely concerned in security prices the spectacle of fifty-five million dollars in call loans outside of Canada causes no little feeling. It is the red rag to the bull. He urges with some degree of reason the close relation between investment shares and the commercial life of the country. Canada, he says, is the only country where the banks or the governments do not assist the security market. He states that the manufacturer or the merchant would more readily in time of monetary ease employ his surplus money in Canadian investments if he had a reasonable market in more stringent periods. It is the broker's claim that if the banks lent more funds on home stocks, a broader market would be established so that an investor would have some certainty of securing a market in time of need.

The other side of the question is ably presented in an editorial which appears in The Toronto Mail and Empire. It says:

"While it is the function of the banks to assist legitimate enterprise, it is also their duty to take the best of care of the money entrusted to them—the funds of their depositors and the capital and rest of their shareholders. The latter is the business of primary concern. If a choice has to be made between the applications of customers and the interests of depositors it must be decided in favor of the latter, for to sacrifice them is to impair the bank, and to impair the bank is to deprive it of some of its power of usefulness to its customers. Whenever the banks see a condition, of whatever nature, that threatens to bring on a serious decline in commercial activity they must take measures to ensure their control of their money. Just now it appears to them that expansion itself has become something of a danger. It has all but outrun, if not quite outrun, the financing power of our monetary institutions. Such a situation, unless handled with great delicacy, might prove disastrous. The thing the banks have to be on their guard against is the tying up of their funds. If they are to tide the deserving business of the country through the difficulty they must have, a large part of their resources so held as to be disposable whenever an emergency has to be met. That is to say, they must have large reserves in hand. If they have not, they will be unprepared either to come to the help of the business interests dependent on them or to conserve the interests of their depositors and shareholders. A large reserve should be a concomitant of a large expansion. To increase the reserve, it is necessary to dispense new credit sparingly, and sometimes to minister in a hand-to-mouth way to the needs of even the most solid of old customers. But a bank cannot afford to maintain in idleness a swelling reserve fund if safe and profitable ways of employing it offer themselves. Of safe and profit-yielding securities Canada has no lack, but of such of them as are available only a small proportion has that other quality necessary in a property for the investment of tiability at stable prices. Securities bank reserves, namely, instant negovery suitable for this purpose are traded in every day on the New York Stock Exchange. The first-class bonds and high-grade stocks on the list of that exchange can be safely loaned upon when the margin is ample. In June our banks had $55,298,873 on call and short loans elsewhere than in Canada. This large amount would be readily convertible into cash should the money stringency here reach such a stage as to require the bringing of this reserve into action.

"Because our banks are doling out money to Canadian business and are keeping funds on call loan in New York, it is not to be said that they are favoring American speculators and discriminating against Canadian mercantile and industrial interests. They are simply taking measures to keep their resources as liquid and controllable as possible. If they are judicious in this husbanding of their financial energy, and if our manufacturers and traders on their part govern themselves accordingly, the situation may be passed through without any reactionary effects upon the country's prosperity."

THE SECURITY REVIEW.

(Continued from page 1.)

company's year in The Post of June 29, the net was estimated at $100,000 more. The surplus available for common stock is at the rate of 18.73 per cent., which leaves a good margin for the expected increase in dividend. The company's net earnings for June were $440,774, an increase over the previous year of $15,000.

C. P. R.

Canadian Pacific, which held well during the declines on Wednesday and Thursday, experienced a drop of five points on Friday from the previous night's close. It sold off to 165½ but rallied to 167½, closing off at 166. It was weak in London owing to the general depression there, accentuated by the disappointment over no dividend being declared on the third preference shares. With capital commanding much higher prices in spite of its being held strongly for investment in Europe (there are 11,000 shareholders who own 50 shares or less) the stock now yielding only four per cent at present prices is on the high side. This condition is not likely to be a temporary one and the directors must be prepared to see market quotations fall from their high estate unless the return is increased. By October they will be in a position to consider the effect of the short crop on the coming year's business. It is not likely to interfere greatly with any dividend action.

Detroit United.

Detroit United at 62½ on Thursday nearly reached the lowest point in its stock exchange history. It was listed on the Canadian exchanges in 1903 around 90 and declined in that panicky year to 53 but its average price was around 73. In June, 1904, it sold as low as 60 but this is the lowest in three years. It recovered smartly on Friday to 65. The company seems to be improving its strategic position all the time as well as its earnings.

Sao Paulo.

The quotations have suffered during the week from the narrow market more than other securities. There is no encouraging news to uplift the spirits of any weary holders. Still an eight per cent. traction and power proposition selling at 111 is an anomaly. It serves to show in times like these how technical position counts. In a cold analysis, most financial critics would be inclined to place Sao Paulo above many domestic tractions selling at much higher prices. In these times, however, green hills far away look blue.

Canadian General Electric.

The remarks on Sao Paulo apply to this issue except that the shadow of the new stock issue casts a cloud on the market for this home-developed industrial. A ten per cent. stock at 114 is a most unusual anomaly. The company has a very large number of unfilled orders on hand, approximately $6,000,[illegible] No action has yet been taken in regard to the issue of the new preference stock. That will probably await further developments.

Dominion Steel.

There was some liquidation going on in this issue during the decline 1,125 shares were sold at 19¾. A slight improvement on the previous day's price. The comments of Mr. Edward Porritt, a writer in the Political Science Quarterly on the geographical advantages and excellent character of the plant will give pleasant reading to any shareholder.

Mackays.

As in the March slump, Mackay common, in view of its recent rise, has held well. It went as low as 64¾ from a high point last week of 68, but it recovered on Friday to 65½.

BANK CLEARINGS,

Week ending August 8, 1907

	1907	1906
Montreal	$29,773,076	$28,593,037
Toronto	20,662,150	18,888,602
Winnipeg	11,200,410	8,865,953
Vancouver	3,984,030	2,812,247
Ottawa	3,235,939	2,603,734
Quebec	2,225,500	1,826,140
Halifax	2,006,894	2,014,351
Hamilton	1,791,808	1,332,065
St. John	1,721,230	1,288,373
London	1,221,451	798,234
Victoria	1,468,766	991,678
Calgary	1,468,766	991,678
Edmonton	1,026,011	

A CLOSE SEASON SUGGESTED

FOR THE ISSUE OF NEW SECURITIES.

It is Time it Stopped—The London Market's Resisting Power Gone—Rest Absolutely Necessary—Why Consols Continue to Decline—Our London Correspondent's Views of the Situation.

London, July 31.—The renewed weakness of gilt-edged securities has been the outstanding feature of the stock markets here during the past week. Consols were yesterday offering down to 82 7-16 for cash, although recovering before the close to 82 13-16 for cash, and 83 1-16 for the new account, the strengthening influence being that the carry-over revealed a small bear account. The making-up price was 83⅝, as compared with 84¼ on 1st July. To-day there has been a further recovery to 83¼, but this is not due to any rush of buying orders, and market views with regard to the outlook are far from hopeful. The immediate cause of the renewed development of weakness in consols and kindred securities is to be found in realizations from the continent for financial houses which have apparently to meet difficulties in connection with the Egyptian crisis. Moreover, the remunerative rates obtainable on money in the United States, Cairo and Alexandria tempt French bankers to sell consols, while underwriting firms, who are usually large holders of Government stock, have to finance large blocks of securities left on their hands, owing to the failure of the public to support recent new issues.

The Real Reason.

The real reasons for the continued weakness of consols, however, go a good deal deeper than these transitory influences. The main cause is, as I believe I have previously argued, to be found in the great extension on the field of trustee investment. Since 1898 new British and Indian Government securities have been created in huge amounts, consols being increased by £92,000,000, local loans by £31,000,000, and India 3 per cents. by £24,000,000, while Irish land stock has been created to the extent of £21,000,000. There is a national war loan for £30,000,000, and a Transvaal 3 per cent. loan for £35,000,000, both of which rank for all practical purposes equally with consols. Exchequer bonds, created during the war, for £20,500,000, are still outstanding. There have been in addition, large issues of municipalities, the London county council alone being responsible for £27,000,000. In addition to all these new securities which appeal to the class of investors which previously confined its attention mainly to consols, the Colonial Stock Act of 1900 has been the means of increasing the nominal amount of trustee investments by almost £250,000,000. Mr. Asquith puts this figure at £305,000,000, but he includes the total amount of colonial Government securities at present quoted on the London Stock Exchange, of which about £70,000,000 are not at present classed as trustee securities.

Resisting Power Exhausted.

Under these circumstances Consols are unlikely to attract strong support, although the position will gradually improve as the amount in issue is reduced by the operation of the sinking fund, and by purchases for insurance offices and for large investors who, following precedent, desire to have at least a portion of their funds in the premier security. The improvement will, however, be very gradual, and for investment securities generally cannot be expected to develope while new issues continue to appear offering more attractive terms than are obtainable from existing securities of a similar grade. Millions of pounds in the agregate are being withheld from the stock markets for the sole reason that investors believe that by waiting they will be able to buy more cheaply. As quotations have fallen to figures representing the lowest recorded for a series of years, a few have been tempted from time to time to purchase, and rallies of shorter or longer duration have followed. But the majority have held aloof—and they have been justified. The market's resisting power to depression has in a week, or an account, proved exhausted, and securities have again fallen, to establish still more remarkable records.

Are Prices at Bedrock?

This condition of affairs, lasting over a twelvemonth, cannot be without its influence on public temperament. From the overbounding optimism of boom times, which induces investment without thinking from fear that delay may mean enhanced quotations, we have changed our attitude of looking at things, until the stage has been gradually reached at which no bargain really satisfies, because we feel sure that further search will reveal a better one, or, if not, that we shall find the stock we have chosen as the cheapest of all, still lower in a month or so. Reasons for the depression of the stock markets have filled pages of the London financial press during recent months. They have been elaborately set forth by thoughtful writers, whose views are entitled to the utmost respect. Yet they overlook probably one of the most potent factors of all—the mood which causes the constant recurrence in the public mind of the question—are prices at bedrock?—and the impossibility of framing a logical reason for an affirmative answer. The constant disappointments that have followe[illegible] all rallies, and the long-drawn-out agon[illegible] of the decline, have so effectually weakened confidence that it is difficult to see on the horizon any one cou[illegible] which would seem from the distan[illegible] have sufficient force to combine the waiting public in one strong buying movement, that would have some vestige of permanence, and would by its own momentum engender confidence.

One Hopeful Sign.

During the last few weeks several serious rebuffs have been experienced by the financial houses which issue and underwrite new loans. This fact is weighing down all securities at the moment — but it is not quite possible that this very influence may in the future have to be recorded as marking the turning point in the market's tendency? Underwriters of the East Indian, Manchurian and other loans have been heavily landed, and months must elapse before they can secure relief. The same conditions prevail in New York, where the recent Union Pacific and Atchison issues failed so lamentably. And this has been going on for some time—in New York as well as here. How long will the banking and financial community consent to hold the bag; how long before their resources will be exhausted? It is obvious that the end can only be a question of time. Presumably, by sheer necessity loan-issuers and underwriting syndicates will be compelled shortly to grant the markets close time for new issues. With a period of rest, capital will accumulate. Investors not being able to rely upon new issues appearing offering terms more attractive than those obtainable on existing securities, will turn to the latter. With new capital for new works lacking, trade will slacken, and money will be diverted to the stock markets. Quotations then—and only then—will begin to rise.

THE FORGET FIRM.

The announcement was received with much interest that Mr. Rodolphe Forget, M.P., would retire from the well known stock exchange firm of L. J. Forget & Co., of Montreal and Paris, and would enter business on his own account. Hon. Senator L. J. Forget and Mr. Thomas W. McAnulty will constitute the firm of L. J. Forget & Co. Mr. Rodolphe Forget will retain his office at the old address for the present. Senator Forget engaged in the brokerage business thirty-four years ago in 1873. Mr. Rodolphe Forget, his nephew, entered the office in 1876 as a clerk and in 1890 became a partner.

The firm of L. J. Forget & Co. has for years been regarded as the leading stock brokerage firm in Canada, and for a long period it did the biggest commission business of any firm on the "Street," says the Montreal Star. Senator Forget, the head of the firm, has had a long and active career. One of the oldest members of the Montreal Stock Exchange, president of that body for many years, and identified with many leading financial institutions, he has had manifold duties to attend to, and it has been known for some time that he was desirous of curtailing his activities and confining his attention to a purely banking and investment business.

Mr. Rodolphe Forget, whose career has been a striking one, and who, his friends believe, is destined to play a yet more important role, is still a young man, with many active interests, and under the new arrangement will be able to devote his attention to them and continue to take an active part on the exchange, of which he has long been the most prominent member, and of which he is now the president.

Several of the leading financial creations in Canada to-day are due to Mr. Rodolphe Forget's genius, notably the Montreal Heat, Light & Power Company. The reorganization of the Richelieu and Ontario Navigation Company was largely due to his efforts.

New York Stock Exchange.

Range of Prices for Week Ending Aug. 2nd.

—	Closing Aug. 2	Open. Aug. 3	High.	Low.	Last.
Amalg. Copper Co.	85	83½	83⅞	74½	77
Am. Car & Foundry	43	42⅜	42⅜	39⅛	40
Am. Locomotive Co.	57	56½	56¾	53¾	53¾
Am. Smelt. & Ref.	113⅜	111½	111¾	99⅞	102⅛
Am. Sugar Ref. Co.	121	120	120	113	115
Am. Tobacco Co., pf.	86½	85	85	80	80
Am. Woolen Co.	26½	26	26	22⅝	24
Anaconda Cop. Min.	54⅛	52¾	52⅞	48⅜	50½
At., Top. & S.F.	92½	91	91⅝	86	88
Atlantic Coast Line	94¼	94¼	94¼	83½	84
Baltimore & Ohio	97½	97	97	93⅞	95⅛
Brook. Rapid Transit	57⅛	56	56	49	50½
Canadian Pacific	175⅝	174½	174¾	165½	166
Chesapeake & Ohio	35¾	35¼	35½	33½	34¼
Chi., Great Western	11⅝	11¼	11¼	10⅝	10¾
Chi., Mil. & St. Paul	133	131	131½	122½	124¼
C., C., C. & St. Louis	66	63½	64	64	64
Chi. & Northwestern	147⅝	148	148	143	145
Colorado Fuel & Iron	30½	29⅞	30	25¾	27½
Colorado & Southern	26⅞	25⅞	25⅞	23½	24⅞
Consolidated Gas	117	116	116	112	112
Delaware & Hudson	168	167¾	167¾	161½	163¾
Den. & Rio Grande	28⅝	28	28¼	25¾	27½
Dul., S.S. & At.	11½	11⅛	11½	15½	11½
Erie	23¾	23½	23⅞	22½	22⅞
Erie, 2d pf.	41	41	41	39	39
General Electric	136¾	136¼	136¼	130	130¾
Great Northern, pf.	133	131¾	132¼	123	125¼
Illinois Central	144	141	141	137	136⅞
Interb.-Metropolitan	14	15¼	15¼	11	11⅞
Internat. Paper Co.	14½	14½	14½	13	13
Louisville & Nash.	112	111½	111½	105½	108
Mackay Companies	68	68	68	64½	65½
Mackay Companies, pf.	66⅝	66⅝	66⅝	64	64
Mexican Central, pf.	20½	20	20	19⅝	19⅝
Minn. & St. Louis	41¾	41	41¼	40	43¾
M., St. P. & S.S.M.	104	103⅞	103⅞	95	96⅛
M., St. P. & S.S.M., pf.	136	130	130	126	130
Mo., Kan. & Texas	39¼	38¼	38½	35	36¼
Missouri Pacific	74½	74½	74½	70	70¾
New York Central	111½	111	111⅛	107½	107¾
N.Y., Ont. & Western	33⅝	35¼	35½	33	33¾
Norfolk & Western	74½	74	74	71	72½
Northern Pacific	132¼	131¼	131¼	120½	122¾
Pennsylvania R.R.	122½	122	122	118¼	119½
People's Gas, Chi.	90¾	90⅛	90⅜	88	89⅜
Pullman Company	162½	163	163	163	163
Railway Steel Spring	41½	40	40	38½	38
Reading	103⅛	101¼	102¼	93¼	94
Rep. Iron & Steel	26¾	26½	26½	24	24
Rock Island Co.	21¾	21	21	20	20
Rock Island, pf.	47¼	47¼	47¼	44½	45⅞
St. Louis Southwestern	20	20	20	20	20½
Sloss-Shef. Steel & Iron	55	54	54	49⅛	50
Southern Pacific	89⅞	88½	89	82⅜	84⅞
South. Railway	18¾	18¾	18¾	18	18¼
Texas & Pacific	29½	29	29	27¼	27¾
Union Pacific	143¾	142½	142⅞	127½	131¾
U.S. Rubber	34⅝	34½	35½	31¼	32⅞
U.S. Steel	35¾	35¼	35½	31⅞	32⅞
U.S. Steel, pf.	100½	100¾	100⅞	96¼	97⅛
Wabash	13¼	13¼	13¼	12⅛	12¼
Western Union Tel.	78	78	78	77⅜	77⅜
Wisconsin Central, pf.	....	....	....	....	....

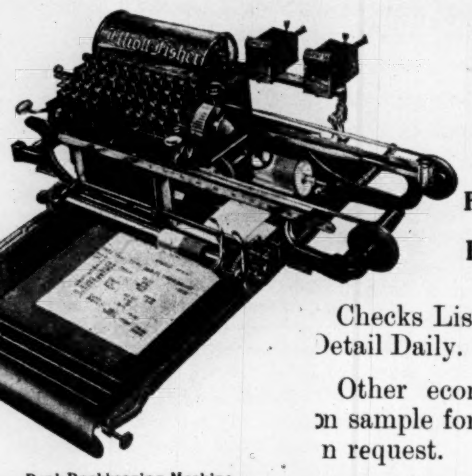
Railroad and Street Railway Earnings

Gross Earnings

—	Week ending	1907.	1906.	Changes.		From date mentioned to the last week for which earnings have been reported. Date.	1907.	1906.	Changes.	
Canadian Northern	July 31	296,900 00	188,500 00	+	108,400 00	July 1	939,500 00	603,800 00	+	335,700 00
Canadian Pacific	July 31	2,282,000 00	1,931,000 00	+	351,000 00	July 1	6,900,000 00	5,882,000 00	+	1,018,000 00
Duluth, S.S. & Atlantic	July 31	123,840 00	87,784 00	+	36,056 00	July 1	329,995 00	279,213 00	+	50,782 00
Grand Trunk System	July 31	1,328,645 00	1,152,853 00		175,792 00	July 1	4,001,236 00	3,606,234 00	+	395,002 00
Minn., St. P. & S.S.M. (Soo)	July 31	306,643 00	323,843 00	–	17,200 00	July 1	1,102,159 00	998,346 00	+	103,813 00
Detroit United	July 21	139,459 00	126,104 00	+	13,355 00	Jan. 1	3,526,656 00	3,142,650 00	+	384,006 00
Halifax Electric Tram.	July 31	5,441 69	4,597 02	+	844 67	....	....	....		....
Montreal St. Ry.	July 31	112,903 00	102,960 74	+	9,942 26	....	....	....		....
Toledo Railways System	July 21	....	....		....	....	....	....		....
Toronto Railway Co.	July 31	95,871 85	83,722 79	+	12,149 06	Jan. 1	1,875,770 90	1,684,067 73	+	101,703 17
Toronto Railway Co.	Month	300,591 66	265,891 73	+	34,699 93	....	....	....		....
Twin City	July 21	125,037 00	111,484 00	+	13,553 00	Jan. 1	3,216,999 00	2,885,331 00	+	331,668 00

Net Earnings

—	JUNE 1907	JUNE 1906	Changes		Twelve months. 1907	Twelve months. 1906	Changes	
British Columbia Electric								
Gross	132,168 00	89,653 00	+	42,515 00				
Working Expenses	76,989 00	51,457 00	+	25,532 00				
	55,179 00	38,196 00	+	16,983 00				
Renewal Funds	9,325 00	8,500 00	+	825 00				
Net Earnings	45,854 00	29,696 00	+	16,158 00				
Other Income	9,536 00	7,967 00	+	1,569 00				
Net Income	55,390 00	37,663 00	+	17,727 00	698,111 00	491,294 00	+	206,817 00
Duluth South Shore and Atlantic								
Gross	314,463 49	276,257 35	+	38,206 14	3,311,878 06	3,057,775 40	+	254,102 66
Operating Expenses	226,192 11	187,056 27	+	39,135 84	2,320,857 89	2,057,459 76	+	263,398 13
Net Earnings	88,271 38	89,201 08	–	920 70	991,020 17	1,000,315 64	–	9,295 47
Other Income	764 01	635 12	+	128 89	8,930 49	9,112 88	–	182 40
	89,035 39	89,836 20	–	800 81	999,950 65	1,009,428 52	–	9,477 87
Interest and Taxes	111,904 23	117,112 88	–	5,208 65	1,055,486 60	1,165,764 62	–	110,278 02
Deficit	22,868 84	27,276 68	–	4,407 84	55,535 95	156,336 10	–	100,800 15
Minn. St. P. & S.S.M. (Soo)								
Earnings	1,159,790 34	1,015,698 30	+	144,092 04	12,892,079 03	11,574,461 99	+	1,317,617 04
Operating Expenses	719,015 65	590,166 03	+	128,849 62	7,433,548 79	5,784,559 78	+	1,648,989 01
Net Earnings	440,774 69	425,532 27	+	15,242 42	5,458,530 24	5,789,902 21	–	331,371 97



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HUDSON'S BAY.

These reflected the London market feeling and declined on Friday to £85, heralding the New York break by a slump of 20 (American) dollars on Tuesday. These shares were £94 within the past fortnight so that the depreciation has been severe. We are not hearing so much of Mr. Jefferson Levy at present.

EFFECT OF A SHORT CROP

IT WILL NOT BE AN UNMIXED DISASTER.

Speculators Will Be Chiefly Hurt—Land Speculation and Emigration—C.P.R.'s New Extensions—Canadian Northern Improving Present Line and Not Branching Out—Work on the G.T.P. —Banks Helping Coal Merchants.

Winnipeg, Aug. 5.—The west has had a week of very cool weather for the time of the year and consequently the crops have not made as much progress as there was reason to hope they would It is probable that Manitoba will yield better than at one time was anticipated. Should frost not intervene there will be ten to twelve bushels to the acre in Manitoba. The crops in Saskatchewan are only just heading out, which means that harvesting cannot start before the first week in September and in some districts it will be the middle of September. If favorable weather is given us for the next six weeks there will be a good yield, but anyone who has had experience in the west knows that it is seldom the frost holds off till the 15th of September. We do not want to be pessimistic, but it is the wisest policy to look facts in the face and lay your plans accordingly. If it is raining out of doors you do not tell a friend it is perfectly fine. You tell him the actual conditions, so that he can get his umbrella and thereby suffer as little damage as possible. There has been a tendency in the west to try and hide anything unpromising, but people are now coming to see that the truth is best.

A Month of Anxiety.

The present month will be one of much anxiety to the farmers and business men of the Canadian West. If there is a partial crop failure it will be a serious thing, but it will not be a disaster. The country has had several good years running and can stand a poor crop now which would have been fatal some years ago. There is no need for a panic even if the worst happens, for it will simply mean we shall have to wait a year or perhaps two years. It is certain that the west can raise bumper crops and if we have to wait it does not mean that the character of the country has changed. Nowhere can they count on a succession of full crops and the average in Western Canada taken over ten or twenty years is fully equal to that of other grain producing countries. Therefore, when we urge conservatism, let it not be for a moment supposed that we have lost confidence in the

Greatest Future of This Country.

There can be no question that the west is bound to go ahead, and quickly, too. We have the surest of all foundations for prosperity—cheap lands and farmers who own the land they till. Immigration continues and the acreage will increase year by year. The fact that speculators in all branches are likely to be hit by the tight money market happening at the same time as a short crop should in nowise injure the legitimate interests of the west. On the contrary, the most serious cloud on the horizon for the past two years has been the host of speculators buying up both city and farm properties and putting the prices up to a point where legitimate purchasers would be frightened away.

The Speculators Hurt.

We have pointed out in this paper the harm being done by the holding of farm lands at exorbitant figures which the incoming settler could not afford to pay. The west lays claim to emigration as being the country of cheap land. How if our lands be no longer cheap? What plea shall we make for emigrants then? We urged that the Government should tax all vacant property very heavily, so that speculators would be driven to sell to actual settlers in order to escape the burden of taxation. The present situation will act in much the same way. Without resorting to any extreme measures it is likely to give speculators a lesson and the price of real estate, both city and country is likely to decline. This will be of benefit to the legitimate trader and in the end will result in a great deal of general good. Therefore it cannot be too strongly urged that the public must not believe that the country is all going wrong because some hundred of real estate men in Winnipeg find sales slow at the high prices to which they have forced all property.

C. P. R Active.

The usual summer activity prevails in the construction departments of all the railroads. The Canadian Pacific is rushing the double tracking between Winnipeg and Fort William. This work has of course to be done under considerable difficulties, so as not to interfere with the train service. Still there is a large proportion of it already completed and in use and the whole work should be done within the year. This will be of the utmost benefit to the C.P.R. and will enable them to keep their trains moving better and the rolling stock will not be so tied up as it has been with only a single line in operation. There are also two new lines that the Canadian Pacific are hurrying forward, the extension northwest of Moose Jaw and the Pheasant Hills branch. The former runs from the main line at Moose Jaw to Tuxford and thence in a northwesterly direction to the east side of the Saskatchewan River near the Elbow, where it turns due north and crosses the river west of Hanley. It passes through an excellent farming country and one which has been settled for years. The Pheasant Hills branch leaves the main line at Kirkella and was completed as far as Strasburg last year. This year it is being extended past Saskatoon and west until it will eventually join the Calgary and Edmonton line at Wetaskiwin. This country is also fertile and it is particularly necessary for the C.P.R. to have this line built since the Prince Albert line was taken over by the Canadian Northern. Otherwise the C.P.R. would have no hold at all on the country around Saskatoon and from there to Edmonton.

Canadian Northern Improvements.

The Canadian Northern are practically doing no new building this year. As a result of the blockade last winter they wisely decided that the thing for them to do was to put their present line in shape and not jump for new territory. Consequently they have many gangs at work improving the existing lines, and this will result in a better service when the rush comes in the fall. The Grand Trunk are of course going full blast and may have a line west of Winnipeg on which to haul wheat by the fall of next year. It is unlikely their line from Winnipeg to Fort William will be completed for two years or more. This territory is very rough and not more than twenty per cent. of the work is done at the present time.

Banks and Coal Merchants.

There has been an outcry this past week from certain coal mine owners at the mountains that the C.P.R. are not furnishing them sufficient cars for their coal. The railway states that are supplying all the necessary cars, as they have no desire to see a shortage of coal again this winter. It is certainly important to have good stocks on hand and in this respect the banks are showing good judgment. We hear that though they are curtailing other credits they are not shutting down quite so tightly on the coal merchants but are furnishing them the money to import whatever they think the country will need. The city of Winnipeg has been negotiating for an issue of $3,000,000 bonds and it was thought probable an offer made by a local broker would be accepted. Part of the terms were that no further bonds were to be sold for six months and none for a further six months at a lower figure. This week, however, the negotiations were broken off, it is said because Messrs. Coates & Son, of London, who still have some $750,000 Winnipeg bonds on their hands, hearing that some more were to be issued, decided to place their holdings on the market. It is now likely that Mayor Ashdown will be sent over to London to see if he cannot make arrangements to place the necessary bonds which are made necessary by the large improvements going on in Winnipeg.

BOND DEPARTMENT

If you wish to keep in touch with the municipal bond market watch this department. It seeks to be very accurately compiled and convenient, and is a valuable indication of current prices. The Financial Post makes a specialty of municipal bond news.

THE BOND SITUATION.

During the past ten days the Dominion Securities Corporation have sold a considerable quantity of the Port Arthur debentures. They took an option on the issue of $500,000 and have been selling them to yield the investor five per cent. The ready buying of these bonds demonstrates that there are still funds in the country for investment purposes when the yield is sufficiently attractive. Port Arthur shows its wisdom in accepting the market. Its bonds must be made more attractive in price on account of its municipal trading and its operation of the street cars and other public utilities. The Province of Manitoba have sold over $300,000, 4 per cent. 40-year telephone bonds to R. Wilson Smith, of Montreal, at 92.50.

The City of Brandon has accepted the offer of the Royal Trust Company for $50,000, 27-year, 4½ per cent. debentures. The price was 90.25. Last September Brandon refused an offer of 97, stating that they should get over par for their issues and a sale could have been closed at a little better than par. This week the Imperial Bank have raised its rate of interest in Brandon to 6½ per cent. These facts give a concrete illustration of the situation to-day.

A prominent bond house stated that the peculiar tactics of Winnipeg in the recent attempt to dispose of its bonds in London has queered the London market so far as that city's bonds are concerned. This is only a sentimental affection of the market, but it is very real. As The Winnipeg Telegram states: "Winnipeg must either pay the market price for money or quite spending it." Another sale of Fredericton bonds shows to what extent some Maritime investors have their eyes focussed upon their own home locality and how little they see of what goes on around them. This week $27,000 bonds running 40 years at 4 per cent. were sold at par. Wake up New Brunswick!

The City of Edmonton announce that they want bids for over $556,000 bonds. The question is, where will the money come from? Recently $10,000 first-class bonds of a Saskatchewan school district were offered and only one bid was put in. The splendid yield of the crops year after year in Alberta seems to have given western municipalities a tremendous faith in the future. This is not shared so fervently by eastern investors. Local bond dealers fear that the City of Edmonton may not get a bid from Canada for this large amount under present conditions, but possibly the money may be secured in England.

The City of St. Catharines have recently had a bonus-granting experience which will add one more illustration to the principle that it is unwise for a municipality to bonus industrial concerns. Three years ago the City of St. Catharines paid $20,000 to J. M. Ross & Co., to move from Brantford. Employes to-day are several months behind in their wages and a receiver has been appointed to wind up the affairs of the concern.

Two other cases of bonus-granting have recently come before the public. The City of Sherbrooke, Que., have just voted a bonus to the Fairbanks Company, of Johnsbury; and Medicine Hat, Alta., is going into the cannery business, having voted to buy $20,000 10 per cent. preference stock in Malcolm's Western Canneries.

It will be a good thing for Canadian municipalities if they learn that it does not pay to fish for their factories. Unless the town possesses natural or acquired advantages enough to attract a coveted industry, without a bonus, it will not have sufficient advantages to keep that concern in the town after the fish has been landed with a bonus for bait. If the municipality were attempting to own or control even their own public utilities they would find many great men rise up and declare that it would be better to leave such work for private enterprise. But when they are embarking in a business such as a canning factory, or any other purely industrial concern, they deserve the criticism of every economist in the land. And they would get it, too, unless some particular economist has an axe to grind. Some concerns get a bonus and do well. But a well-known financier has said that for one such case he could point to twenty failures. If such is true then, municipalities should weigh matters with much more skill than they have done, before they take money from the ratepayers and put it into speculative enterprises.

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BOND NOTES.

Boulevard St. Paul, Que.—The village is to vote upon a loan of $125,000 for sewer construction, by the issue of 30-year 5 per cent. debentures. A. Ecrement, secretary-treasurer.

Carlyle, Sask.—Mr. Thomas Jarrott, secretary of school district No. 276 asks bids till Aug. 25th for $3,500 20-year 6 per cent. debentures.

Edmonton, Alta.—The city commissioners are receiving tenders till 31st of August for several bond issues aggregating $556,852.26. See advertisement in another column.

Goderich.—Mr. M. O. Johnston, town clerk, gives notice that on August 24 the ratepayers will vote upon a by-law to raise $27,836 by 30-year 4½ per cent. debentures for the following purposes: water works extension, $22,836; electric light system, $1,000; local indebtedness, $4,000.

Harwich Township.—The township clerk, Mr. G. W. Riseborough, Blenheim, Ont., give notice of a bylaw to raise $2,000 for school purposes.

Medicine Hat.—The ratepayers have voted to subscribe for $20,000 of 10 per cent. preference stock in Malcolm's Western Canneries, and also to grant $15,000 for hospital purposes.

North Battleford.—E. W. Drew, secretary-treasurer, offers for sale seven 30-year 5 per cent. installment debentures at $5,000 each.

Pembroke.—The ratepayers, on Aug. 9, voted upon a bylaw to raise $22,000 by the issue of 20-year 4½ per cent. installment debentures. A. J. Fortier, town clerk.

Westmount, Que.—The council have read for the first time a $250,000 loan bylaw, but the discussion of it was postponed until September. They are also considering a further loan of $65,000, to cover losses on bonds sold for over expenditure on capital account, and also pending extension to provide for new business.

Dublin, Ont.—The Hibbert council will submit to the ratepayers a by-law for the issue of $2,000 debentures for sidewalk construction and lighting.

Hanover, Ont.—A town hall and public library will be erected here at a cost of $23,000.

Fort William.—By-laws have recently been passed by the council for the issue of debentures to the total amount of $40,000, for sewer construction.

Sherbrooke, Que.—The council have recently passed by-laws to issue $40,000 debentures for sewer construction.

Stirling, Alta.—The town council have adopted a scheme to provide new municipal buildings at cost of $12,000.

Welland, Ont.—A by-law to raise $11,940 for waterworks extension has been passed.

Wellington, Ont.—A vote of the ratepayers will be taken on August 20th on a by-law for raising $1,000 for sidewalk construction and repair.

Seventy-five years ago to-day, August 10th, 1832, the Bank of Nova Scotia opened its doors to the public in the city of Halifax for the transaction of business, and thus it is the fourth oldest bank in Canada. During the debate on the bill in the House of Assembly of Nova Scotia granting the bank its charter, one of its opponents stated that he doubted whether it would be in existence three months after its commencement. That was three-quarters of a century ago, and to-day the bank is conspicuous for its strength among banking institutions. At the close of its first year, it paid a dividend at the rate of 3 per cent. on its shares, this year's dividend is at the rate of 12 per cent. The bank has at present 69 branches, 58 of which are in Canada, 2 in Newfoundland, 3 in the United States, 2 in Cuba and 4 in Jamaica.

NOTES ON BONDS

NEW YORK AND BOSTON SELLING OVER THE COUNTER.

The Morgans Buy Fourteen Million Atchison Bonds at Par—Drumming Up the New York City Issue—Canada Southern Bonds Rule High—Municipalities Must Make as Attractive Offers as Other Corporations—How the U. S. Government Peddled Its Bonds in War Time.

The experience of New York and Boston with their present issues should indicate to Canadian municipalities the absolute necessity of curtailing all but essential expenditures. It also proves how mistaken is the policy to lean upon the banks instead of accepting the market prices.

Over the Counter.

The city of New York has had recourse for the first time in its history of selling its bonds "over the counter." Unless sufficient bids are received by Monday next, and this seems unlikely, the comptroller proposes to deal with investors privately and will sell the bonds in small lots and at par and interest if necessary. The bonds bear 4 per cent. and exempt from taxes, $13,-000,000 due 1957 and $2,000,000 due 1917. Some bond dealers have been inviting subscriptions and endeavoring to drum up enough interest to take care of the whole issue. Messrs. Zimmerman & Forshay, who are the most active, say they have received a large number of subscriptions, but only for small amounts.

Boston offered $3,924,000 4 per cents. and the bids closed yesterday. It is extremely doubtful if even this comparatively small issue will be completely taken up. Boston cannot by law sell its bonds at less than par. In August 1906 the last issue of bonds was sold to the public on a 3.80 per cent. basis. Boston bonds are now on a 3.95 per cent. basis. The prices of American bonds are no criterion of Canadian possibilities, as they have a wider currency and utility than our own municipal issues.

Atchison Fives at Par.

The most favorable event in the American bond market for some time was the purchase last week by Messrs. J. P. Morgan & Co. of the balance of Atchison bonds unsold. There were $26,-000,000 ten-year five per cent. controvertibles offered to the public at par between July 5 and 10, and only $12,-000,000 were taken in spite of the favorable rate, easy payments, and the privilege of conversion into common stock at any time in six years. Messrs. J. P. Morgan last week bought the remaining $14,000,000 at 100 less than a commission, which is said to be 2½ per cent. The purchase shows that this leading banking firm believe investors will soon take the bonds off their hands.

Canada Southern Bonds.

Of the Vanderbilt bonds Canada Southern's two issues the first and second fives show relatively the greatest strength. For the five years, 1902-1906, the first fives were 107½ high and 100½ and their present quotation is 100½. The second fives in the same period were high 111, low 103½, present quotation 102½. Curiously they have the shortest time to run, the firsts maturing in 1908 and the seconds in 1913. The present price level of high grade bonds of the Vanderbilt indicates the great depreciation they have suffered in the last year or so. Prices are now in a position to respond most readily to the turn in the tide.

Investors Fix the Price.

The following editorial in a United States financial weekly shows the same conditions across the line as obtain in Canada. It is in line with The Post's previous comments:

"The last year has proven to municipalities that the question of what interest bonds should net investors is not one fixed by law but by the will of investors. The lesson has not been fruitless, for there has arisen among municipalities from the frequent failures during the past twelve months to receive satisfactory bids in the case of bond issues and from the total failure of their bond offers the advisability of unshackling themselves from the many legal restrictions with which they tie up their bond offers.

Municipal bonds have not lost a particle in favor with investors, but they cannot be induced to buy bonds netting only 4 per cent., and which have more or less a narrow market, while it is possible to purchase at the same price equally good security but bringing a greater return upon the investment. Free capital in times of prosperity always demands a greater return and can easily get it. Therefore it stands to reason that if a municipality is in need of money to carry on some improvement or for purposes of refunding it must go to the money market with as attractive offer for the use of free capital as do other borrowers whether the same security whether it is in shape of a city's high credit or gilt-edged collateral.

"It is simply the problem if the horse won't come to the water the water must be brought to the horse that is confronting municipalities just now. We would not be surprised if conditions continue to exist as they have in the country the last year to see municipalities letting down their legal bars and inviting bids at prices for bonds that capital regards as attractive. Then municipal bonds will secure for themselves as wide a market as they have enjoyed formerly."

Bond Peddling on a Large Scale.

New York's experiment in selling its bonds over the counter recalls in a way the episode of 1863, when Jay Cook, acting directly as fiscal agent for the United States Government, sent drummers to every town and village of the loyal states to peddle United States bonds. When Congress, in March that year, authorized a fresh $300,000,000 loan urgently needed to prosecute the war, the disastrous battle of Fredericksburg had just been fought and the defeat of Chancellorsville was just ahead. Banking houses would not touch a bond issue of such magnitude, and Secretary Chase accordingly made a contract with Mr. Cooke, whereby the banker was to receive a commission of one-half of one per cent. on the first $10,000,000 bonds sold and three-eighths of one per cent. for sales in excess of that figure. An extensive campaign was mapped out with a house-to-house canvass, conducted on the book agent plan by an army of representatives. Country editors were urged to help the venture, and its eventual success was extraordinary. By July 1, 1863, $168,880,220 of the bonds had been sold; three months later the sales had reached $278,511,500; and by the last week of January, 1864, the entire $300,-000,000 had been taken, the agents securing $11,000,000 more than were issued, and Congress later authorizing the additional sum.

THE COBALT SHIPMENTS.

Nipissing's Good Record—The Coniagas Awaits the Concentrator.

The output for the week ending Aug. 3 from Cobalt was large and would have been much greater if the Coniagas were in the list. This property does not appear for the first time in a long series of weeks, but their output has been so large and the pressure so great that the management took advantage of the strike to enlarge and will also probably not ship any low grade ore in large quantities until their own concentrating plant is working, which will be towards the end of September. The shipments of first class ore from the Coniagas will, however, be resumed immediately, as they have now 105 men at work as against 16 during the first week of the strike. This lack of workmen and husbanding the low grade ore have been the only reasons why the mine did not ship last week.

The Nipissing shipments increase just at the time when their shares drop in the market and the output confirms the statement in last week's Post in regard to the merits of the property. The Nova Scotia also comes into the shipping list with its second carload for the year 1907. The Drummond does not appear in the official statement, but it is reported to have sent out a carload of high-grade ore last week.

The total output for the year to date is nearly 7,700 tons.

Week Ending August 3.

	lbs.
Nipissing	347,400
La Rose	105,405
Buffalo	100,000
Nova Scotia	66,000
O'Brien	61,000
Total lbs.	679,805

The shipments for the month of July and year to date are:

	July	Year to date.
Coniagas	1,178,390	4,079,020
Nipissing	226,695	3,131,977
O'Brien		2,285,381
Buffalo	240,000	1,384,300
Trethewey	50,000	1,145,718
La Rose	140,115	925,303
Silver Queen	87,000	476,148
Kerr Lake		249,000
Foster	52,000	272,350
McKinley-Darragh	80,000	220,000
Green Meehan		196,790
Hudson Bay	45,170	145,840
Cobalt Central		141,877
Cobalt Townsite		136,230
Right of Way		134,530
Colonial		74,250
University		61,385
Temiskaming		54,500
Red Rock		40,000
Drummond		44,090
Silver Leaf	43,518	43,518
Imperial	37,530	37,530
Nova Scotia		96,000
Totals lbs.	2,100,418	15,375,737
Total tons	1,050.20	7,687.86

The shipments for the first six months of the year were:

	May. Lbs.	June. Lbs.
Coniagas	682,920	1,589,640
O'Brien	557,290	64,520
Nipissing	433,310	477,450
Trethewey	229,020	224,200
Buffalo	82,770	281,130
Hudson Bay	55,500	
Temiskaming	54,500	
Townsite	46,070	
Silver Queen	44,000	124,580
Cobalt Central	40,000	
Right of Way	1,400	129,330
La Rose		316,216
Kerr Lake		94,000
Colonial		40,000
Drummond		44,090
Foster		40,000
	2,226,780	3,425,156

	Jan.	Feb.
Nipissing	623,701	457,620
O'Brien	419,831	390,110
Buffalo	279,000	120,000
Trethewey		178,648
Coniagas	174,220	108,580
La Rose	123,500	175,067
Silver Queen	125,683	94,885
Green Meehan	61,210	68,380
Foster	43,600	56,750
Kerr Lake		75,000
Cobalt Central		66,957
University	61,385	
McKinley-Darragh	60,000	
Cobalt Townsite	47,160	
Nova Scotia		30,000
Total lbs.	2,019,290	1,821,997

	March.	April.
Nipissing	565,801	
O'Brien	403,470	389,160
Buffalo	241,400	40,000
Trethewey	296,440	167,410
Coniagas	127,920	217,350
La Rose	65,000	
Green-Meehan		67,200
Cobalt Central	34,920	
Foster		
Kerr Lake		80,000
Cobalt Townsite	43,000	
McKinley-Darragh		
Red Rock	40,000	
Right of Way	3,800	
Totals lbs.	1,821,751	961,120

Municipal Trading

HOW LONDON'S COURSE HAS CREATED A LEAGUE.

Opposed to Public Ownership—Collectivism vs. Individual Effort—Even Water in London Becomes More Costly—Electric Light Fallacies—All the Profits Are On Paper.

The Industrial Freedom League held its annual meeting in London on July 4th. This is an organization which has been brought into being by the unfortunate results and wasteful excesses of municipal ownership as we find it in London, England. Two addresses were given, one by Sir Felix Schuster and the other by Mr. Lloyd George, M.P.

"It may be asserted that, as regards the development of trade generally, one of the most remarkable features of the nineteenth century has been the growth of joint stock enterprise, that joint stock companies have successfully competed with private traders, and that elected bodies correspond to boards of directors in a joint stock company carrying on large undertakings; but let it always be remembered that such directors are much fewer in number, are not elected by a popular vote, but chosen for special experience in a particular line, and that even among joint stock undertakings only those have been found to be really progressive and prosperous in which individual effort and sense of responsibility have found full scope.

The London Water Board.

"The evidence of Sir Melville Beachfort, the chairman of the London Water Board, in this connection, is so valuable that it deserves to be put on record. In his review of the work which the board has performed during its four years of office, he said: 'So far it must be admitted that no saving has been effected. He did not think that it was ever anticipated that there would be any saving in the expenses of administration, as the management of a trading concern by a municipal body must always involve expenditure quite outside that which fell on a private company.' He added that the advantages must be sought after in other directions, but he admitted the official staff now numbered 723 as compared with 599 at the time of transfer, while the employes numbered 3,153 as compared with 2,907. In connection with this statement, it should be remembered that in 1902 the special arbitration committee of the water board reported that an approximate annual saving of close upon £95,-000 was to be anticipated, that additional profits in the future were to be expected, that the profit which would accrue to the ratepayers would proportionately increase, and that substantial economies also might be anticipated.

Increased Charges for Water.

"The ratepayers were certainly not led to expect an increase in charges for water, which in some instances has already taken place, and which, if the bill now before Parliament becomes law, will impose under the guise of equalization of rates very heavy additional burdens on certain classes of the community. The ratepayers of London, and especially the traders of the city of London, should see to it before it is too late that the bill does not pass in its present shape—or serious loss will accrue to them.

Reasons Against Municipal Trading.

"But while the argument from finance is strong, I have never regarded it as the greatest argument against municipal trading. Perhaps I may be allowed to repeat the reasons which appear to me to justify the policy in support of which the league was founded. There are, first, that local expenditure is increasing more rapidly than rateable property; secondly, that local indebtedness is increasing more rapidly than rateable property; thirdly, that municipal trading cannot fail to give rise to awkward labor problems; fourthly, that municipal trading has seriously interfered with private enterprise and with our foreign commerce; fifthly, that it is unwise to give votes to those who pay no rates, and unjust to withhold them from those who pay very heavy rates; and, lastly, that by reducing the demands for labor, while increasing prices and raising rates, municipal trading has not only injured the ratepayers generally, but especially the working classes."

Paper Profits.

Mr. Lloyd-George, M.P., speaking on "Electricity Profits," said:

"I was surprised to see not long ago in a speech delivered by the president of the Board of Trade, that he stated that the gross profits made by provincial electrical concerns—municipal concerns—was £2,000,000 sterling, and that he regarded this as 'a really great triumph for municipal enterprise.' I think you will all agree with me that the gross profit of a concern really indicates nothing. What one wants to know are the net profits. If he had gone a little further than the gross profit and looked to the net profit, I think he would not have had much reason to congratulate himself or the unfortunate ratepayers. The total amount which is invested in these undertakings, as shown in the Electrical Times from which he quoted, was £28,884,000. The rate of interest at which the corporation can borrow is now 3½ per cent.—in some cases something more—and if we allow 3½ per cent. upon the amount of the capital, that comes to just £1,000,000 sterling.

Depreciation.

"Then there comes the question of the amount which ought to be allowed for depreciation. We all know that a great deal of machinery in these electrical concerns is of a character that does not last very long, and, moreover, improvements are continually being made so that very often machinery which would go on working would be much better sent to the scrapheap and replaced with more suitable machinery. I think, therefore, that those who have had any experience in the matter would be generally agreed that to take 3½ per cent for depreciation would be a very moderate amount. Taking 3½ per cent., that would be another million, taking two millions off the two millions of gross profit, and leaving nothing as the result of these great undertakings. But that is not quite all, because we know from the admission of the London County Council itself, that in these trading concerns a very inadequate amount has been allotted for central office expenses.

THE COBALT PROMOTION.

Statement from the Secretary of the Canada Consolidated—Comment on London.

With reference to the Canada Consolidated Cobalt Company, Limited, and the paragraph which appeared in the Financial Post two weeks ago, Mr. F. S. Colton, the secretary, stated to the Financial Post that the pamphlet issued in London under the title, "Particulars of The Canada Consolidated Cobalt Co., Limited," and which said that the directors were, among others, Sir Henry M. Pellatt, H. S. Strathy and Sir Frederick Borden, was issued without the knowledge of the company's directors, so far as Mr. Colton is aware and that he saw the prospectus which the Post had received for the first time. He further states that the company has issued no formal prospectus, though one is in course of preparation, nor has it directly made nor authorized any canvass of, or invited public subscriptions for stock. The directors of the company as they appear in the minute book are Sir F. Frankland, Lieutenant-General Sir J. Bevan Edwards, F. S. Colton, R. F. Fouts and W. E. Colton. The three latter were only temporarily members of the board, and with a view to fill the board, some interviews and communications had been had with Sir Henry M. Pellatt, Sir Frederick Borden and Mr. H. S. Strathy, with the object of arranging for their election to the board of directors, when the company was finally organized and capital paid up, but the company has never announced the proposed election of directors, nor have they been so called, nor the use of their names as such authorized.

Mr. Colton expects to leave for England at an early date in order to take up the questions in connection with the issue of these particulars, and also the circulars issued by the Canadian Syndicate, his election as chairman, of which he learned for the first time when he was informed of their circulars offering stock of this company for sale.

The above statement has been forwarded by the Financial Post at Mr. Colton's request to the English papers. It would appear to be a case of hasty and improper action on the part of promoters who used their names without authority. It is unfortunate that they should have led into association with them by virtue of these representations a reputable firm of London brokers. The London "Capitalist," commenting on the company says:—

Canada Consolidated Cobalt, Ltd.

The Canadian Syndicate Limited, of Salisbury House, E.C., has flooded the country, offering shares in the Canada Consolidated Cobalt Company, and some success has attended its efforts. At any rate, a stock exchange settlement has been applied for and no doubt will be granted. In the particulars of the Canada Consolidated Company the names of Sir Henry M. Pellatt, of Messrs. Pellatt & Pellatt, stockbrokers of Toronto, and Mr. H. S. Strathy, manager of the Traders Bank, Limited, of Toronto, appear as directors. The "Financial Post" of Canada has issued an announcement that the use of the names of these gentlemen is unauthorised. The secretary of the Canada Consolidated states that he is in communication with these gentlemen "and will acquaint you with the results upon receiving their replies." We understand, and we have it on unimpeachable authority, that the two Canadian gentlemen gave their consent to become directors on the understanding that the working capital had been actually put up in London, while one important stock exchange firm took an interest in the undertaking believing that the money had been put up in Canada. We shall no doubt have the truth in due course. It is significant that although Canada Consolidateds are quoted in the financial papers at 33s. no dealings are taking place, because no jobbers will bid for the shares. They can be sold, but not bought, but cannot be sold. Why? It is to be hoped that the stock exchange committee will not grant a special settlement in the shares without a searching inquiry into the incorporation of the company. Apparently no properties have been acquired, and all the money received has been selling shares through the medium of the Canadian Syndicate. The reply of the secretary of the Canada Consolidated will prove interesting reading, and we may, having regard to the information in our possession, refer to the matter again.

THE CAUSE OF FAILURES.

"The cause of so many failures in business is the credit system," said Marshall Field, "either by giving too long credits or selling goods on credit to people who are not worth anything. The retail business should be carried on for cash only. Circumstances are different to-day from what they were thirty years ago; then we had to give credit—the merchant could not help himself. To-day it is different. To-day the farmer receives cash for all he sells. Merchants who are careful, who sell only for cash, and who take advantage of the discount in the ten, thirty, or sixty days, and who live modestly and attend to their business seldom fail."

HAND TO MOUTH METHODS

THE EFFECT OF THE FINANCING IN HIGH PLACES.

Seventy-five Millions Lost to the Commercial Needs of the Country—The Dominion Government's Untimely Expediency—Overdrawn Some Five Millions at Home—No New Issues Abroad—The Same System Pursued by Municipalities—The Obsolete P.O. Savings Bank.

The acuteness of the monetary stringency in Canada is such as the country has not known for many years. An interesting discussion may be aroused as to how far unconsidered methods of financing by our governments and municipal corporations have contributed to this situation. It is too late in the present situation to obtain a remedy, but the experience of the present may serve as a warning in future to those who have charge of the finances of the country in high places.

When Canada was able to market her bonds on the remarkable basis of 2¾ per cent., a record was made that it was difficult to follow. Any less favorable flotation appears not to have appealed to the powers that be. The result has been that the Canadian Government instead of realizing that the price of capital was not governed merely by the conditions of the day has deferred new issues awaiting a more favorable market which has never arrived and is not likely to arrive for a considerable period. Maturing loans have been met by the temporary expedients of treasury bills. The exigencies of short term financing have compelled the Government to lean upon the bank with the result that the Dominion Government is to-day overdrawn at its home bankers to the extent of some five million dollars. The amount at present is larger, but it may be placed for the purpose of argument at $5,000,-000.

The Ontario Government a few years ago in spite of the advice of many financial authorities offered a large portion of its Temiskaming and Northern Railway bonds to the home investor. Prompted by patriotism and enabled by the then comparative plenitude of money, nearly $4,000,000 was thus taken from the pockets of the home investor when it might have been brought into the country from abroad.

Canada must continue for an indefinite time to be a debtor country. The more money that is brought into our borders from outside sources, exactly so much more will we have in Canada for our commercial needs. In the two items already mentioned we have $9,000,000 that might have been imported into the Dominion instead of being withdrawn from the peoples' savings.

The financial methods pursued by the Dominion Government have been followed by the municipalities. Canadian cities have obtained in the past money at exceptionally favorable rates. To this purpose the banks which are now the object of much blame from the municipalities, have contributed both by assisting the bond dealers in financing and by making advances to the civic chests. The larger cities, like the Government finding the market, in their opinion, unfavorable, have leaned upon the banks. Municipal overdrafts, the larger of which might have been financed abroad, now make a heavy item, amounting in the gross, to several millions.

It may be said that the present condition could not have been foreseen, but high financial authorities did not hesitate to take advantage of the market well in advance of requirements. The Grand Trunk Pacific, for example, secured some $45,000,000 before it was called upon to begin its expenditure. Last February, the C.P.R. secured $13,-000,000 on a four per cent. basis (the actual price for four per cent. preference and debenture stock being better than par), not because it actually needed the money at the time, but because it saw the wisdom of adding to its cash reserves against a restricted money market. The Dominion Government methods become the more noticeable in relation to the Grand Trunk Pacific. That company has secured funds for its own construction, the Government has not provided for the large expenditure which it must make on the Government section of the Transcontinental.

The post office and Government savings banks absorb nearly $63,000,000 of the home money that might be obtained abroad. The Dominion Government had a golden opportunity to uproot this obsolete relic of similar days when it was able to secure funds on a basis of 2¾ per cent. The interest paid on the post office deposits is 3 per cent. The cost of operation is difficult to ascertain, but it must be from ⅜ to ½ per cent. Thus, a saving in interest charges could have been effected and over $60,000,000 could have been distributed to the people to find its way into the commercial banks which would use it for commercial needs.

The Government savings banks are a legacy from the pre-confederation days. In the Maritime Provinces they furnished a means of obtaining money for the public needs at a time when the branch bank system was not well developed. The business was taken over by the Federal Government and forty years ago, Canada was in the condition of res angustae domi where the savings of the people thus husbanded, small as they were (in 1868 only $1,887,808), furnished an easy method of securing ready money. The system thus became engrafted on the Federal Government. The raison d'etre for its maintenance as the branch banks became more numerous and in recent years its obsoletism is shown by the very small increase in deposits. They were less in 1905 than in 1883. In 1905 Government savings deposits totalled $62,968,-000, compared with $531,243,476 in the chartered banks.

England's experience was urged as one good reason for the maintenance of the post office savings bank. But until the last ten or fifteen years the branch bank system was imperfectly developed in England. In Canada the banks following the Scotch methods have extended their branches well up to the growth of the country until now they have increased in number in the opinion of many bankers, beyond the genuine requirements and there is no district so outlying where the farmer, or the workman cannot find an easy depositary for his savings.

There is also a radical difference between the method of dealing with savings banks deposits by the Imperial and the Canadian Government. In Great Britain, against the funds drawn from the savings bank, the Government deposits Consols as a security, so that the expenditure must receive the approval of Parliament. In Canada the money is taken from the till and is utilized as the finance minister sees fit without the issue of any security against it and the consequent approval of the Parliament which the proceeding would involve.

On a conservative estimate, we have shown that by governmental financing the banks might have had $75,000,000 more money to supply to the commercial requirements of the country. It may be urged that we would be no better off in the present crisis because if other methods had been pursued and if the post office savings bank had been merged into the chartered banks deposits, the money would have been swallowed up by expanding needs and the banks would be in much the same position as they are to-day in reference to ready money. The fact cannot, however, be gainsaid that Canada could have brought 75 millions from abroad instead of taking it out of the savings of her own people.

The Northern Land and Investment Co., Limited, of Winnipeg, have declared a dividend of 2 per cent., equal to 8 per cent. per annum, for the quarter ending July 31st.

The Canadian Bank of Commerce

Dividend No. 82.

Notice is hereby given that a dividend of two per cent. upon the capital stock of this institution has been declared for the three months ending 31st August next, and that the same will be payable at the Bank and its branches on and after Tuesday, the third day of September, next.

The transfer books will be closed from the 19th to 31st August, both days inclusive.

By order of the Board.

ALEX. LAIRD,
General Manager.

Toronto, 23rd July, 1907.

THE SOVEREIGN BANK of Canada

Notice is hereby given that a dividend of one and one-half per cent. (1½ p.c.) for the current quarter, being at the rate of six per cent. (6 p.c.) per annum on the Capital Stock of this Bank (to be reduced to Three Million Dollars) has been declared, and that the same will be payable on such reduced capital at the Head Office and at the Branches on and after Friday, the 16th day of August next.

The transfer books will be closed from the 1st to the 15th August, both days inclusive.

By order of the Board,

F. G. JEMMETT,
General Manager.

Toronto, July 2nd, 1907.

BANK OF MONTREAL

Notice is hereby given that a Dividend of Two and one-Half per cent. upon the paid up Capital Stock of this Institution has been declared for the current Quarter, and that the same will be payable at its Banking House in this city, and at its Branches, on and after Tuesday, the Third Day of September next, to Shareholders of record of 16th August.

By order of the Board,

E. S. CLOUSTON,
General Manager.

Montreal, 19th July, 1907.

The Merchants Bank of Canada

QUARTERLY DIVIDEND.

Notice is hereby given that a dividend of Two per cent. for the current quarter, being at the rate of Eight per cent. per annum upon the Paid-up Capital Stock of this Institution, has been declared, and that the same will be payable at its Banking House in this city and at its Branches, on and after the first day of September next, to Shareholders of record at the close of business on the 15th day of August.

By order of the Board,

E. F. HEBDEN,
General Manager.

Montreal, July 23, 1907. 29-31-33-34

NOTICE

Is hereby given that the Title and Trust Company on the 19th day of July, 1907, received a license (Number 229) for the transaction in Canada of the business of Title Insurance.

JOHN J. GIBSON,
General Manager,
The Title and Trust Company.

Dated at Toronto July 23rd, 1907.

29-30

City of Edmonton

Debentures For Sale

Tenders will be received by the undersigned up to noon, August 31st, 1907, for any or all of the several issues, aggregating $556,852.26, in City of Edmonton debentures. Full particulars will be furnished upon application to the undersigned or may be obtained from the office of the Treasurer.

CITY COMMISSIONERS.

Edmonton, Alta., 1st August, 1907.

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New financing in the United States announced during July aggregates about $50,000,000, practically all of which was in the form of bonds or short time notes. This is undoubtedly the smallest total for any month this year. For instance, short time note financing announced during the first six months of the year reached the record-breaking sum of $350,000,000, a monthly average in excess of the total July output of new securities of all classes.

BANK OF ENGLAND.

The rate of discount of the Bank of England was unchanged at 4 per cent. A year ago it was 3½ per cent. Two years ago it was 2½ per cent. The statement of the bank shows the proportion of reserves to liabilities 46.90 per cent., compared with 46.74 per cent. last week, 48.73 last year, and 46.72 two years ago. The gain of .16 per cent. this week, compares with a gain of 1.32 per cent. last year, and a loss of .73 per cent. two years ago. The statement shows :—

		Decrease
Reserve	£21,013,000	£ 717,000
Circulation	29,862,000	60,000
Bullion	36,732,282	777,214
Other securities	20,646,000	877,000
Public deposits	....	2,199,000
Other deposits	31,108,239	x518,000
Notes reserve	22,334,000	704,000
Gov't. securities	16,121,600	400

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Britain's Stake in Canada

THE LARGE HOLDINGS OF OUR SECURITIES.

Some Interesting Figures Furnished by Mr. E. R. Wood—Over Four Millions in Our Bank Stocks—Grand Trunk Securities Over Three and a Half Millions—A Big Interest in C. P. R. —Investment Opportunities in Canada.

The interest of Great Britain in Canada is a rapidly growing one, but how extensive is the Old Country's stake in her premier colony may be gathered from information furnished to Canada by Mr. E. R. Wood, the eminent Canadian financier who is at present in England. The following statistics of interest are gleaned therefrom:

Canadian securities listed on the London Stock Exchange in par value total £236,311,121. This total is made up of £45,909,927 government debentures of the Dominion and the provinces, £7,681,442 municipal debentures, £173,481,752 railway shares and debentures, £9,238,000 principally of street railway, light and power, and land companies shares and bonds.

Of course, it does not mean British investors hold that entire amount of Canadian debentures and shares. It does mean that they hold a substantial if not the entire financial interest in the Canadian railway and other enterprises represented in the London Exchange and presumably all but a small fraction of the government and municipal debentures so listed.

Listed securities, however, do not by any means represent the entire financial interest Great Britain holds in Canada. Besides the interest of British investors in private and unlisted corporate undertakings they hold large amounts of unlisted municipal debentures. In 1906 alone they purchased some £200,000 of such unlisted municipal obligations. Shares and debentures of Canadian financial institutions are further Canadian securities not listed in London, but which British investors hold in large amounts. In the debentures of Canadian loan companies only they hold $43,585,832. These obligations are payable on brief notice and on account of the notice requirement bear a higher rate of interest than deposits. During the past five years British investors have held these debentures as follows:

1901	$34,885,457
1902	34,278,345
1903	35,083,495
1904	35,137,763
1905	43,585,832

The Dominion report for 1906 is not yet out.

Over Four Millions in Banks.

Another important British investment in Canadian financial institutions is in shares of the Canadian chartered banks. Chartered banks of Canada with branches in some cases numbering over a hundred make, in many respects, the best banking system in the world, and their shares afford a stable and safe form of investment. British shareholders of Canadian chartered banks number 2,291 and hold shares of the aggregate par value of $4,039,700. Of the 32 banks the shares of only the two most largely held in England are listed in London. These are, the Canadian Bank of Commerce, which has 797 British shareholders owing 29,849 shares of the par value of $50 a share, and the Bank of British North America, with 941 British shareholders, having 12,140 shares of the par value of $50 a share.

Grand Trunk Totals.

It is, of course, chiefly the securities of the large railway enterprises that comprise the greater part of British holdings in Canada. Securities of the Grand Trunk Railway aggregate £67,000,000 and the company has some 45,000 shareholders of its common preference and debenture stock. It is safe to say that the percentage of this held outside of England is small. The Grand Trunk Pacific, whose common stock the Grand Trunk owns, has outstanding £9,255,000 of debentures and debenture stock outstanding. British investors hold far the greater part of this.

C. P. R. Interest.

The Canadian Pacific has $121,680,000 common stock and $144,239,410 preferred and debenture stock. This railway is less distinctly a British financial interest than the Grand Trunk. The shares entered on the London register would hardly give an adequate idea of the British interest in the road. It is understood that many English holders carry their shares on the New York register to avoid the English transfer tax. However, of course, British investors hold a very large interest in the road.

Some 10,000 British investors are interested in the Canadian Northern Railway through holding its bonds and debenture stock. Of these there are $39,667,385, and British investors hold all but a few millions.

Other Corporations.

British investors also hold very substantial interests in Canadian light and power companies, land companies and other Canadan corporate enterprses. It is fair to say that in the main, these have borne a high character and have been very profitable to the holders of their securities. Canadians have avoided the dishonest financial methods which have done a great deal to cast a shadow on securities from the United States and have adhered closely to the conservative and substantial ways of English enterprise. Canada is really only at the beginning of her economic development and can find highly profitable employment for any capital she can secure. Such capital can be efficiently applied in any one of a number of directions.

Other Investment Opportunities.

The investor can purchase land direct. The rise in Canadian land values has been steady and will continue. The rise in Hudson Bay shares and to a considerable degree in C.P.R. has been due the large holdings of these two companies. He may invest with the greater to rising land values making profitable security of a large equity back of his interest and a personal obligation of a mortgage on land. Various financial organizations facilitate such investment. He may buy the securities of Canadian public service corporations. With the steadily expanding population in urban centres such undertakings in good hands will prove safe and profitable. As an example of expanding population and demand with efficient management, the Montreal Light, Heat and Power Company in the six years of its life has expanded its earnings 4.29 per cent. on its common stock to 8.47. This has resulted from a combined increase in gross earnings from $1,760,285 to $3,453,490 and a reduction in operating expenses from 53 per cent. to 44.28 per cent. of gross earnings.

Municipal Bonds.

Canadian municipal bonds afford very attractive investment of the highly conservative class. Again, the large resources and active growth of the Dominion make Canadian municipals a good investment. A growing community gives a better security than a stagnant, just as a prosperous incorporated company. The tendency to a load of municipal indebtedness on account of municipal trading is not so great in Canada as in England. In Canada the individual has a better opportunity to improve his condition by a personal ownership of property and consequently does not so strongly desire to gain on indirect ownership through a public holding. Good Canadian municipal securities can be had to yield as high as 4½ per cent. to 4¾ per cent.

Standard industrial corporations also of course, reflect the growth and prosperity of the country. If properly chosen, the British investor can secure safe and large income bearing securities of these undertakings. The stock of the Canadian General Electric is well known in England. Such companies as this and Lake of the Woods Milling Company make solid investments. Lake of the Woods preferred stock pays 7 per cent. and the common is on a 6 per cent. basis.

The Disreputable Promoter.

Canada cannot hope to escape the bane of the disreputable promoter. Wherever solid enterprise has gone forward and shown a large measure of success fictitious enterprise has sought to reap a dishonest harvest. Irresponsible men have already been active in Canada, and by the number of those whom they have injured have injured the reputation of Canadian securities in general. As Canada more and more develops her great natural resources and enriches those who invest in legitimate Canadian securities, such irresponsible promotions will probably grow more and more numerous. Therefore, before investing in Canada, a British capitalist should fully assure himself of the standing and responsibility of the people through whom he contemplates investing.

Bank Notes

The German Government is introducing legislation to facilitate the use of cheques.

Mr. J. Turnbull, general manager of the Bank of Hamilton, returned this week from a tour in the Northwest and British Columbia.

Mr. E. F. Hebden, general manager of the Merchants' Bank of Canada, has returned from a short visit to Europe. He visited London and Brussels during the vacation, and said he was very much pleased with the growing feelings of business friendship towards most Dominion matters. Mr. Hebden lost no time in picking up the threads of his important executive routine on his return, having been hard at work all the morning, besides being present at a meeting of the board of directors. He is looking well and apparently ready and fit for the expected heavy demands which the coming autumn will make upon the executive ability of our banking leaders.—Montreal Witness.

At the half-yearly meeting of Parr's Bank, the well-known London institution, Mr. Cecil Parr presided and said:

"Political disturbances, unrest abroad, the policy of the home government, the development of new social forces, and perpetual new issues are given as the reasons for the drop in Consols. These grounds are not sufficient. Bank of England stock has fallen considerably more in proportion than Consols. The investing public is no longer content with 3 per cent. The genuine investor has discovered many really safe investments, returning at least 3½ per cent. The fall in Consols is reflected in modern trust deeds and settlements, which give more latitude than formerly. Banks and insurance companies at one time were large buyers of Consols, which they now hold, but they do not increase their holdings. Consols have fallen through lack of purchase."

The following is from a St. John's Nfld., newspaper:

"A change takes place to-day in the management of the local branch of the Bank of Nova Scotia, Mr. Anderson, of New Brunswick, succeeding Mr. Watson, who leaves by the City of Bombay, on a visit to England, returning here in October, en route to his new and important station in Winnipeg.

Mr. Watson has been closely identified with banking matters in Newfoundland for a quarter of century, having entered the Union Bank in 1882. After the unfortunate bank crash, the Bank of Nova Scotia opened up in the city, and Mr. Watson's services were immediately availed of. He was an invaluable aid in connection with the establishing of the bank's work, and it was fitting that, when the opportunity occurred, he should find his services recognized by the distinguished honor of being appointed manager.

We say "distinguished honor" advisedly, because banks are not accustomed to go outside their own men to find their managers. Mr. Watson's early training had been in another institution, but it is safe to say that no other man in Newfoundland, or elsewhere, could have been selected, who was better fitted for the high position, nor anyone who could have given more general satisfaction. To Mr. Watson's services the bank owes much of its success. He is a gentleman who has the rare facility of conducting the most intricate business with consummate diplomacy, and with firmness so delicately applied, as to be indistinguishable from the truest courtesy.

Leaving the country, he goes with the best wishes of every customer of the bank. More than that, he carries with him the high esteem of the whole community, all of whom must regret the transfer, although none will grudge him the promotion to which his splendid services have so justly entitled him.

The bank clearings in Vancouver for July were $17,771,607, a record month, the previous best month being May, with $15,836,774. July, a year ago was $10,565,706, so that the increase was 70 per cent.

The Bank of Nova Scotia will open a branch at Brantford in the autumn and have purchased a store from Mr. W. F. Cockshutt, which will be reconstructed.

The Imperial Bank has opened a branch this week at Port Arthur under the charge of Mr. H. C. Houston, manager of the Fort William branch, who will divide his attention between the two offices. Mr. R. Hay, of the Kenora branch, is the accountant at Port Arthur. The Port Arthur News says that the citizens and business men will welcome the coming of the Imperial Bank as another indication of the city's advance in the estimation of Canada's soundest and best known financial institutions.

The directors of the Bank of British North America declared in London on Wednesday the usual interim dividend of 30 shillings per share, being three per cent. for the six months. The dividend paid in April was 30 shillings and a bonus of ten shillings, making 7 per cent. for the year. The last transaction in its shares was 154¾. The balance carried forward was £36,000. The amount available for the April dividend and bonus was £59,610, leaving a balance of £19,610.

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Canadian Stocks

Quotations of Securities listed on the Montreal and Toronto Stock Exchanges, with prices at closing on Friday of each week. In stocks listed on both Exchanges, prices quoted are those of the market in which a stock is the more active.

Active Stocks

Par Value	Outstanding Common Stock	Outstanding Preferred Stock	Bonds	Reserve Funds Profit and Loss	Last Dividend Date	Per cent.	STOCK	Range for year 1906 High	Low.	Range for 5 months, 1907 High	Date	Low	Date	Closing one year ago, August 9. Ask	Bid	Friday, August 9. Ask	Bid	Range for week ending August 8, in market of activity First	High	Low	Last	Sales
							BANKS															
50	10,000,000			5,000,000	1st June	q. 2	Commerce	190½	169½	180	Jan.	170	May	176	175⅝		171¼	171	171	170	171	49
50	3,633,070			4,596,377	1st July	q. 3	Dominion	283	262½	267	Jan.	237	Mar.	270		230		230	231	230	230	54
100	2,470,210			2,470,210	1st June	q. 2½	Hamilton	233	210	217	Jan.	204	April	226		205		200	200	200	200	23
100	4,804,551			4,804,550	1st Aug.	q. 2¾	Imperial	254½	225	230	Jan.	217	Mar.	232	230			218	220	218	220	87
100	6,000,000			4,000,000	1st June	q. 2	Merchants	176	160½	170	Jan.	159	May	175	172		162	163	163½	163	163½	20
100	1,000,000			1,000,000	1st July	q. 2	Metropolitan	202⅜	192	192½	Mar.	192	Mar.	200½	199½							
100	3,277,620			3,277,620	1st July	q. 2½	Molsons	230	204½	215½	Jan.	200	May	230	225	206	203	203	203	203	203	10
100	14,400,000			11,000,000	1st June	q. 2½	Montreal	261	252¼	257	Jan.	243½	May	258	256	247	244	245	°245	243	245	52
100	3,000,000			5,250,000	1st July	q. 3	Nova Scotia	297½	273	293	Jan.	286	May	300	277½	280						
100	3,000,000			3,000,000	1st June	q. 2½	Ottawa	233	222	226¾	Feb.	220	Mar.	228¾	227½	220						
100	2,500,000			1,250,000	1st June	q. 1¾	Quebec	145	139½	145	Mar.	134	May	143¼	141							
100	3,900,000			4,390,000	1st July	q. 2½	Royal	247½	222	242	Jan.	234¼	May	240	235	230		225	228	225	228	28
100	3,000,000				16th May	q. 1½	Sovereign	155¼	133							*117						
50	1,540,420			1,640,420	1st June	q. 3	Standard	250¼	223	230¼	Feb.	220	April	248								
100	3,986,820			4,486,820	1st June	q. 2½	Toronto	251	222	235¼	Jan.	*215½	May	235	233			216	°216	216	216	1
100	4,350,490			1,900,000	1st July	q. 1¾	Traders	155	138½	140	Jan.	135	May		140		130	130	130	130	130	46
100	3,000,000			1,600,000	1st June	s. 3½	Union	158	143¼	152	Jan.	143½	May	155¼	152½	143		140	°140	140	140	4
							TRANSPORTATION															
100	121,680,000	42,720,000	101,519,411		1st July	s. 3½	Canadian Pacific Railway	201	155¾	195⅛	Jan.	*156½	Mar.	167½	167	168	166½	175	175	171	171	162
100	12,500,000		21,162,000	1,546,272	1st Aug.	q. 1¼	Detroit United	102	79¼	84½	Jan.	65	Mar.	94¼	93½	64½	64¼	66¾	67	62½	64⅛	1,134
100	12,000,000	10,000,000	20,000,000				Duluth	21	16¾	14	May	14	May	19	18	12	11					
100	1,350,000		600,000	252,053	1st July	q. 1½	Halifax Electric	108	100	104½	Jan.	*94	Mar.	107	101½	97		98	98	97	97	7
100	7,500,000		8,311,561				Havana Electric	50	35	45¼	Feb.	40	Mar.	50	47				†			
100		5,000,000			15th July	q. 1	Havana Electric, preferred	97⅞	79	86	Jan.	70	April	94	87							
100	6,395,500	3,274,300	20,030,500		1st July	q. 1½	Illinois Traction, preferred	101½	88½	94¼	Feb.	*85	Mar.	96	95			83	84	82	82	88
100	14,000,000	7,000,000	51,865,000		15th July	s. 2	Minn., St. P. and Sault Ste. Marie			136¾	Jan.	91	May	155	150	100	96	104	104	98¼	98¼	175
100	9,000,000		2,473,333	524,770	1st Aug.	q. 2½	Montreal Street	284	211	239	Jan.	202	Mar.	279¼	278	199½	198½	202	°202½	198	199	924
100	840,000			87,100	19th Jan.	a. 6+1½	Northern Navigation	110¼	80½	104	Jan.	89	Mar.	102	99½	95						
100	7,938,900		10,385,000		15th June	q. ½	Northern Ohio Traction	33¼	27	30⅜	Jan.	26	April	31	29							
100	3,132,000		323,146	362,500	1st June	q. 1¼	Richelieu and Ontario	88¼	69¾	82⅞	Jan.	70	Mar.	84	81½	63½	66½	64	64	62	62	150
100	21,993,900		23,284,000				Rio de Janeiro	48	38½	48¼	Jan.	38⅞	Mar.	45	44	42	41⅝	43⅝	43⅝	41½	41½	1,497
100	563,300			115,996	1st Jan.	a. 10	St. Lawrence & Chi. Steam Nav. Co.	148	120	125	Jan.	120	April		138			125½	125½	125½	125½	16
100	8,026,637		6,000,000	1,785,718	1st July	q. 2	Sao Paulo	146	125	138½	Jan.	117⅞	Mar.		135½	111	110	118	°118	111	112	451
100	12,000,000		10,866,000		2nd May	s. 1	Toledo Railway	36¼	25	29½	Jan.	23¾	Mar.	33	32½	25	24½	25	25½	25	25	130
100	8,000,000		3,613,373	2,130,708	1st July	q. 1½	Toronto Railway	126	112	115¼	Jan.	*100	Mar.	117½	116	100	99¾	100¼	100½	99¾	100	1,840
100	9,000,000	2,600,000	6,993,000		1st July	q. 1½	Tri-City, preferred	95	88½	90¼	Jan.	85⅞	April									
100	1,164,000		720,000	124,781	10th July	q. 1¼	Trinidad Electric	92	80	78½	April	70	April	89	85							
100	20,100,000	3,000,000	16,546,000	1,281,348	15th May	q. 1¼	Twin City	122¼	102½	108½	Jan.	87¾	Mar.	113¼	112¾	90	89	91⅞	91⅞	88¼	89½	376
100	4,500,000		5,000,000	908,688	1st July	q. 2	Winnipeg Electric	190	160	186	Feb.	175	Feb.			167		165	165	165	165	14
							TELEGRAPH, LIGHT AND POWER															
100	10,625,000		3,363,000	3,849,846	15th April	q. 2	Bell Telephone	158¾	145	145	Jan.	†125	Mar.	155	151½	130⅛	130	132	°132	130	130	214
50	2,500,000			2,004,149	1st Aug	q. 2½	Consumers Gas	209	200	206	Jan.	196	May		205		194					
100	41,380,400				1st July	q. 1	Mackay, common	77⅛	57⅞	75⅛	Jan.	63¾	Mar.	73¾	73½	65¾	65½	68½	68¾	64¾	65	755
100		50,000,000		727,547	1st July	q. 1	Mackay, preferred	76⅛	68	71½	Jan.	66	Mar.	73½	73	65¼		66	66	65	65¼	245
100	13,585,000		12,000,000	1,050,428			Mexican Light and Power Co.	70	47½	57½	Feb.	45¼	April	57	56½	43	40	42½	42¾	42½	42¾	156
100	17,000,000		8,464,000	1,201,158	15th May	q. 1½	Montreal Power	99½	86	94⅞	Jan.	81¾	Mar.	97	*96	91¼	90⅞	92½	92¾	89½	91⅛	2,596
100	2,997,900		1,000,000	518,057	1st July	q. 2	Toronto Electric Light	171	152	160	Jan.	142	Mar.	158½	157	140						
							INDUSTRIALS AND MISCELLANEOUS															
100	4,700,000	300,000		1,969,354	1st July	q. 2½	Canadian General Electric	155	130	136½	Jan.	120½	Mar.	141	140	113		115	°115	°113½	113½	13
100	20,000,000	5,000,000	9,642,000				Dominion Steel, common	34¼	20½	25	Jan.	16¾	Jan.	29	28½	19½	19¼	20½	22	19½	19½	1,663
100	5,000,000						Dominion Steel, preferred	83½	60	66½	Jan.	48½	Mar.	78¼	77½			48¼	48¼	47	47	95
100	15,000,000		5,612,164	1,825,940	1st July	q. 1	Dominion Coal	84½	58	70¼	Mar.	57	April	78	75¾	53½	51½	55	°55	55	55	5
100		3,000,000			1st Aug.	s. 3½	Dominion Coal, preferred	122	112	112	Feb.	106	May	116	115							
100	5,000,000	1,854,397	7,337,160	1,394,000			Dominion Textile, common											45	45	45	45	100
100	5,000,000	1,854,397	7,337,160	1,394,000	15th April	q. 1¾	Dominion Textile, preferred	109¾	95¼	*99	Jan.	88	May	102	98	84½	83	83	83½	83	83½	20
100	2,000,000		1,000,000	528,003	20th April	s. 3	Lake of Woods Milling	100	89	90	Feb.	75	Mar.	95	90	69	67	70	70	70	70	35
100		1,500,000			11th June	q. 1¾	Lake of Woods Milling, preferred	115	108	112	Feb.	*106¾	Feb.	115	110			106	106	106	106	60
100	700,000			227,417	8th Jan.	bal. 4½	Montreal Steel	114	97	98½	Feb.	96	April	110	100							
100		800,000			8th July	q. 1¾	Montreal Steel, preferred	115	106	106	May	105	Feb.	115	110							
5	6,000,000			15,577	20th July	q. 3	a Nipissing Mines Co.			15	Jan.	11	Mar.					8⅜	8½	7⅛	7⅞	738
100	4,987,600		3,752,000	2,617,051	15th July	q. 1½	Nova Scotia Steel, common	74½	60	79	Feb.	68	Jan.	69¼	69⅛	67	65	67	67	65½	65½	195
100		1,030,000			15th July	q. 2	Nova Scotia Steel, preferred	125	118	*120	Jan	112	April	125	121							
100	1,250,000		1,000,000	1,209,370	Sept.	a. 7	Ogilvie Flour															
100		2,000,000			1st June	q. 1¾	Ogilvie Flour, preferred	130	123	121	Feb.	111	April	130	124							

*Ex-div. †Ex-allotment a—Quotations per $5 share. ^Less than ten shares.

Inactive Stocks

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent.	Last Dividend Date	Per cent.	STOCK	Range for year 1906 High	Low	Latest price Ask	Bid	Last Sale
						BANKS					
243	4,866,666		2,238,666	4th Apr.	3+1	British North America	146⅛	141	155		154¾
100	2,948,130		1,860,000	1st July	q. 2	Eastern Townships	163¼	160	162½		161
100	2,464,070		1,600,000	1st June	q. 2	Hochelaga	163	†144	150		146¾
30	1,789,884		750,000	1st June	q. 1¾	Nationale	124	121			120
100	709,300		1,195,295	1st July	q. 3	New Brunswick					272
						LOAN AND TRUST					
50	630,200	1,032,603	283,000	2nd July	s. 3	Agricultural Loan				122	122
100	1,004,000	3,138,798	515,000	2nd July	s. 3½	Canada Landed	125	117½	123	122	123
10	6,000,000	13,857,807	2,450,000	1st July	s. 3	Canada Permanent	131	124		121	121
100	1,500,000	4,673,890	1,050,000	1st July	q. 2	Central Canada	172	160		160	165
10	2,398,701	p 2,456,900 d 147,413	119,808	1st July	s. 3	Col. Investment, preferred	89	75		64	°64
50	934,617	394,045	107,590	30th June	s. 2	Dominion Savings	73	70		71	71
100	1,100,000	1,671,417	504,080	2nd July	s. 3	Hamilton Provident	124	120	120		120
50	1,900,000	5,271,479	1,600,000	2nd July	s. 4½	Huron and Erie	188½	183			183
100	735,481	547,746	78,720	2nd July	s. 2½	Imperial Loan	70	70			70
100	700,000	1,005,434	310,000	2nd July	s. 3	Landed Banking	125	121		122	124
50	1,000,000	2,243,355	264,310	2nd July	s. 3	London and Canadian Loan	111¼	105	106		104
50	686,891	518,919	134,000	1st July	s. 3	London Loan and Savings					119
25	500,000		438,096	15th Mar.	s. 3½ plus ½	Montreal Loan	138	*133¼			133
£10	£150,000	£598,225	£145,000		5 s. plus 2½	North of Scotland					
100	1,000,,000		450,000	2nd July	1¾	National Trust	157	155		157	158
50	1,200000	1,594,326	685,000	2nd July	s. 3¼	Ontario Loan and Debenture	140	128¼		128	130½
40	373,720	119,260	82,500	2nd July	s. 2½ plus ½	Real Estate Loan	90	85			87
100	1,000,000		375,000	2nd July	s. 3¾	Toronto General Trusts	160	140			150

Par Value	Common Stock Outstanding	Bonds or Preferred Stock Outstanding	Reserve	Last Dividend Date	Per cent.	STOCK	Range for year 1906 High	Low	Latest price Ask	Bid	Last Sale
50	724,550	1,274,108	305,000	2nd July	s. 3	Toronto Mortgage Co	115½	105½	112		109½
100	1,000,000	1,105,536	580,000	1st July	q. 1½	Toronto Savings					126
						OTHER COMPANIES					
25	850,000	550,000		3 %	passed	British America Assurance	98	97			97
100	1,511,400	1,270,000		3½ for 6 mos. Nov. 20, '05		British Columbia Packers, pfd	80½	59¾			°75
100	2,700,000	b 2,000,000		15 June	1	Canadian Col. Cotton	60	45			53¼
400	1,000,000		44,865	1st July	4	Canada Life Assurance	163	163			155
100	3,000,000			July	q. 1	Canadian Converters, Limited	60	60			59¾
100	500,000		46,333	1st July	q. 2	Canadian Salt	110¼	*108			108
12½	733,841			a		Canada North-West Land	500	400			435
100	565,000		30,000			City Dairy	38	21½	37		35
100	346,350			2nd July	1¾	City Dairy, preferred	94¼	*82½	90		87
100	100,000			1st July	s. 7½	Confederation Life Association	285	272½			285
50	1,000,000			15th July	q. 1½	Dominion Telegraph	121	*119	118		118
100	1,700,000	2,895,700		15th July	s. 2¾	Hamilton Electric Power, pfd					
100	450,000			1st July	q. 1½	Imperial Life Assurance	149	149			150
100	500,000	b 344,000	90,474	Mch.	s. 3½	Intercolonial Coal	90	84			85
100		219,700		Mch.	s. 3	Intercolonial Coal, preferred					100¼
100	1,600,000	b 1,200,000		5th Aug.	s. 3	Laurentide Paper	107½	89½			89
100		1,200,000		1st July	q. 1¾	Laurentide Paper, preferred	114¾	100½	102	99¾	100
100	404,610	b 102,083	75,000	1st June	s. 3	London Electric	95	89¾			89¾
40	531,792	b 500,000		30th June	s. 3¾	London Street	97¼	97¼			97¼
100	3,000,000	b 350,000		15th June	q. 1¾	Montreal Cotton	135	122			125
40	2,000,000		98,098	15th July	q. 2	Montreal Telegraph	171	162	158		158
100	701,700	b 111,000	123,953	2nd July	s. 4	Niagara Navigation	133½	117	117		*117
100	925,000	b 819,000				Niagara, St. Cath. and Toronto	80	75		75	80
100	998,200	500,000	230,564	2nd July	q. 2½	Ottawa Electric Railway					
20	1,500,000	1,000,000		passed		Western Assurance	98	96			96
100	600,000	b 1,100,000		July	s.4 plus 1	Windsor Hotel	105	100			107½

NOTE.—s means semi-annually ; q.—quarterly ; plus indicates bonus ; b. means bonds. p.—Preferred stock. d.—Debentures. o.—Less than ten shares. a.—$12.50 per share return of capital payable March 15, 1907.

GRAND TRUNK DIVIDENDS.

There has been some disappointment over the fact that no dividend has been declared on the third preference stock of the Grand Trunk Railway of Canada. If the owners of these stocks will wait till the end of the year they may find that such disappointment is not wholly justified.

Cable advices received this morning announce that the directors declared for the half year a dividend at the rate of five per cent. per annum on the first and second preference stock, which aggregates £5,950,000 sterling. On the "guaranteed" stock £8,129,315, a dividend at the rate of four per cent. per annum was declared. The third preference stockholders and the "ordinaries" were not given profits.

£14,600 was ordered carried forward and £40,000 was placed to the credit of the pension fund.

Two-and-a-half per cent. semi-annually has been paid on the first and second preference stocks since December, 1905. The four per cent. on the guaranteed is the annual dividend, and it has been paid regularly since 1897. From 1894 and 1897 inclusive, even the "guaranteed" stock of the G.T.R. didn't bring profits.

THE GREAT TRIAL.

Lord Grey Intermediates — Lord Strathcona May be Called in.

In the meantime the $15,000,000 suit continues its weary course at Sydney. The Steel Company completed its evidence on Thursday and the Coal Company began its case on Friday. The evidence during the past week was that of experts and officials of the Steel Company, confirming the poor quality of the coal supplied.

Evidently the Coal Company will make the claim that by the installation Company could have used the coal. How far this point can be developed remains to be seen. Its bearing on the contract will be interesting.

During the past week, His Excellency Earl Grey has been a visitor in Sydney. Doubtless on Sir. Henry Pellatt's suggestion he will endeavor to pour oil on the troubled waters, and to arrange a settlement. As his movements were on schedule he could not remain long enough to consummate anything definite but it is believed that he proposed Lord Strathcona should be called to the scene and see if a settlement could not be accomplished.

THE BOND MARKET

Week Ending August 9th, 1907.

BONDS	Rate	Closing Asked	Bid	Sales Week Aug. 8 $
Bell Telephone Co.	5	106¾		
Can. Colored Cotton Mills Co.	6			
Commercial Cable Co.	4			
Dominion Coal Co.	5			
Dominion Cotton Mills Co.	6		92	
Dominion Iron & Sreel Co.	5		72	
Dominion Textile Co., Series A.	6	90	87	
Do. Do. Series B.	6			
Do. Do. Series C.	6	90	87	250
Do. Do. Series D.	6			
Electrical Development Co.	5			
Halifax Electric Tramway Co.	5			
Havana Electric Railway Co.	5	90		
Intercolonial Coal Co.	5			
Keewatin Flour Mills	6			
Lake of the Woods Milling Co.	6			
Laurentide Paper Co.	6			5,000
Magdalen Islands	6			1,000
Mexican Electric Light Co.	5	75		
Mexican Light & Power Co.	5	80		
Montreal Light, Heat & Power Co.	4½			
Montreal Street Railway Co.	4½		101	
Nova Scotia Steel & Coal Co. 1st Mtg.	6			
Do. Do. Cons. Mtg.	6			
Ogilvie Flour Mills Co.	6			
Price Bros. Co.	6			
Rio de Janeiro Tramway, L. & P. Co.	5	72½		30,500
St. John Railway	5			
Sao Paulo Tramway L. & P. Co.	5	93	91	
Winnipeg Elec. Street R'y. Co.	5	105½		
Montreal City, Stock	7			
Montreal City, Stock	4			

The Nipissing shares are weaker than ever and selling by insiders is assigned as the cause. Selling by anybody these days need not be significant. People are compelled to obtain maney where they can find it, and there are holders of all kinds of stocks who must be compelled to liquidate to find ready money. In the meantime, the mine is producing well and the stock is cheap at any price under $10, as far as a mine can be considered cheap.

CURB QUOTATIONS.

Week Ending August 9th, 1907.

NAME	Stock Issued.	Aereage.	Week ending Aug. 8 High	Low	Sales	Closing bid Aug. 9
Abitibi & Cobalt Mining Co.						
Beaver Consolidated Mines	1,000,000	20				
Buffalo Mines Co.	900,000	40				
Cobalt Lake Mining Co.	3,930,866		.17½	.17	1,100	
Cobalt Silver Queen	1,500,000	58	1.05	.95	225	
Cleveland Cobalt Silver Mines	1,000,000	114				
Coniagas	4,000,000	40	3.70	3.60	675	362
Foster Cobalt Mining Co.	1,000,000	40	.66	.62	2,800	62
Green-Meehan Mining Co.	1,500,000	40	.32	.32	1,000	
Kerr Lake Mining Co.	3,000,000	52				
McKinley-Darragh-Savage Mines	2,000,000	120				
Nova Scotia Silver Cobalt M. Co.	1,800,000		.20	.19½	1,000	18
Peterson Lake	2,500,000	225				
Red Rock Silver Mining Co.	1,000,000	30	.20	.20	100	
Rothschild Cobalt Co.	500,000	40				
Silver Leaf Mining Co.	5,000,000	40	.09	.07	1,350	08
Temiscaming Mining Co.	2,500,000	210				
Trethewey	1,000,000	40	.62	.55	12,700	52
University Mines	1,000,000	56				

UNLISTED SECURITIES.

NAME	Stock Issued	Bonds and Pref. Stocks	Week ending Aug. 8 High	Low	Sales	Closing bid Aug. 8
Brit. Col. Packers' Ass'n. Com.	1,511,400	$1,270,000				
Consolidated Mining & Smelting	4,698,886					120.00
Consolidated Rubber Bonds	2,141,300	822,200				85.00
Consolidated Rubber Stock, Pref.		2,600,000b				
Canada Cycle & Motor Co.	800,000					
Dominion Iron & Steel, 2nd Mtg.	20,000,000	2,178,000				82.50
Dominion Park Bonds	400,000	250,000				85.00
Havana Central Bonds	6,250,000	6,250,000				
Illinois Traction Com.	5,810,000	3,214,300				35.00
Lachine Sinking Fund, 5 p.c. bonds		4,000,000				
Mexico Tramways	6,000,000		60.00	60.00	10	58.00
Quebec Railway, L. & P. Co.	2,500,000	2,500,000b	29.00	29.00	75	
Rogers, Wm. A., Com.	750,000	900,999				
Rogers, Wm. A., Pref.	900,000					
Shawinigan L. & P.	6,500,000	4,000,000b				
Standard Loan Co.	1,125,000	d 600,000				
Sun & Hastings Savings & Loan Co.	937,000	d 52,000				
Tri-City Railway & Light Co., Com.	9,000,000	2,600,000				15.00
Union Bank of Halifax	1,500,000					
Western Bank of Canada	555,000					

d Debentures b Bonds